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SAVINGS AND INVESTMENTS

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Royal Tudor giant: A new life p12

WORLD NEWS

Nicaragua preparing for war

Managua, Nicaragua's capital, is soon to go on a war footing in readiness for possible U.S. military intervention, Agriculture Minister Jaime Wheelock said.

U.S. Defence Secretary Caspar Weinberger denied Nicaraguan claims that U.S. forces had been alerted for intervention in Central America.

In London, British Foreign Secretary Sir Geoffrey Howe called for restraint on all sides over reports that Soviet fighter aircraft were being shipped to Nicaragua. Page 2; Men in the News, Back Page

Refugees in embassies

Some 180 East Germans are now in West German embassies in Prague, Budapest, Warsaw and Bucharest, trying to force their government to let them leave for the West. Page 2

Beirut links closed

The worst fighting in four months closed intercity crossings in Beirut as talks on Israeli troop withdrawals from Lebanon began.

Libya charges Britons

Two of the four Britons held in Libya since April, Alan Tunnell and Malcolm Anderson, have been charged with security offences.

Powell's rage warning

MP Enoch Powell, speaking of Britain's "fervent hope" of new Commonwealth immigration, said: "The atmosphere is reminiscent of countries on the eve of revolution."

IRA bomb alert

Trucks and vehicles entering military bases were searched as the Defence Ministry raised its state of alert because of a possible IRA bomb threat.

Police took bribes

Three former police officers were fined at the Old Bailey for taking bribes from undertakers in return for calling them in to remove bodies.

Crash report for DPP

The British Transport Police report on the Wembley train collision which killed three people last month is to go to the Director of Public Prosecutions.

Big week for TV-am

TV-AM breakfast television channel had an audience of 11.2m last week, its best ever. Page 2

Bolivia hit by strike

Bolivia was hit by its fifth general strike this year. The workers' confederation said the action, in pursuit of pay, price and food demands, paralysed the country.

Fifth Philippines fire

Seven people died in a Manila tourist hotel fire—the fifth in the Philippines in the last month.

'Expulsion sought'

West German counter-intelligence wants five Romanian diplomats expelled for crimes including planning attacks on Romanian embassies, Die Welt newspaper reported.

Down under water

One man died and about 100 were hurt when nine inches of rain fell on Sydney in 24 hours. Damage was estimated at \$4.5m.

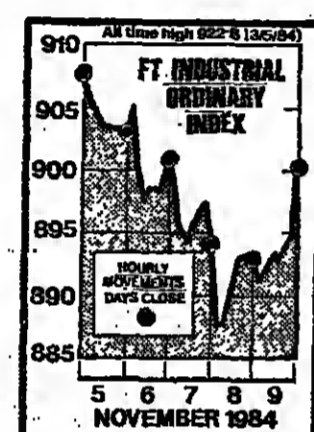
BUSINESS SUMMARY

U.S. eases Venezuela loan curbs

BANKING supervisory agencies in the U.S. removed the damaging "sub-standard" classification imposed in March on U.S. bank lending to Venezuela.

The decision, taken at a secret meeting earlier this month, is a boost for Venezuela's efforts to reschedule about \$20.75bn (£18.4bn) in public sector foreign debt. Back Page

EQUITIES strengthened in late trading, on enthusiasm over market prospects in the run-up to British Telecom's privatisation. The mortgage rate cuts and the return to work at



Jaguar also helped sentiment. The FT Industrial Ordinary index gained 7.1 to 906.1, for a loss of 7.5 over the week. Page 22

BTG: Ministers approved a five-year plan for the British Technology Group, aimed at expanding its role in transferring new technology from the laboratory into commercial production. Page 3

AUSTIN ROVER is to step up pressure over the weekend to encourage striking manual workers to cross picket lines and report for duty. Page 4

TOWNSEND THORESEN, the UK ferry company, signed a legally enforceable contract with a freight company which provides for no industrial disruption for the life of the two-year deal. Back Page

U.S. WHOLESALE prices fell 0.2 per cent in October, the third monthly decline in succession in the Producer Price Index, the Labour Department said. Page 2

SUNDAY TRADING: Major supermarket chains are believed to be poised to open for trade on Sundays before Christmas, in advance of any changes in the law. Page 4

MANNESMANN and VDM, West German engineering concerns, plan to set up a joint company combining their production of tubes from stainless steel, nickel alloy and other materials. Page 19

COSTAIN, construction and contracting group, is selling its North American housebuilding and land development interests in a deal worth C\$33m (£23m) cash. Page 18

HILL SAMUEL, merchant banking group, raised net tax profits by \$2.43m to £13.23m in the six months to September 30, in spite of mixed results from overseas activities. Page 19; Lex Back Page

Mortgage rate cut by two societies

BY ANDREW ARENDS

Lower mortgage rates for new borrowers from Monday and for existing borrowers from December 1 were announced by two of Britain's largest building societies yesterday.

The Abbey National and the Halifax are reducing their mortgage rates to 11.875 per cent, a cut of 1 percentage point at 1/8ths of a point respectively. Other major building societies are expected to announce similar cuts in their rates next week. Both the Nationwide and the Woolwich are believed to be willing to reduce their mortgage rates to 11.75 per cent.

Last night, both Barclays and National Westminster banks said that their home loan rates were under review, but that a decision was unlikely before next week.

The cuts follow the reduction in bank base lending rates from 10.5 per cent to 10 per cent earlier this week and indications that rates may fall further after the record inflow of funds from savers in October to the building societies. The building societies now seem to feel that their positive factors will outweigh the expected outflow of about £400m in funds for investment in British Telecom shares, later this month.

The Halifax and the Abbey National are also reducing their ordinary share rate for

HOW HALIFAX REPAYMENTS COULD CHANGE

Loan	Extra interest charge for larger loans	Monthly repayment 12.75%	11.875%
17,650*	nil	148.22	141.48
22,000†	nil	185.50	176.35
30,000	+1%	252.96	247.59
40,000	+1%	385.77	354.44
50,000	+1%	502.93	467.19

* Average mortgage for a first time buyer.
† Average mortgage for a new borrower.
† Net repayment after tax relief for basic rate taxpayers; tax relief applies only the first £30,000 of any loan.

Source: Halifax Building Society

The Abbey National Building Society mortgage rate was also cut to 11.875%, however repayment schedules may be affected by different extra charges for larger loans.

investors by 1 percentage point, from 7.75 per cent to 6.75 per cent, which is equivalent to 9.6 per cent for a standard rate taxpayer. The new investment rates also come into effect on Monday.

A cut in the mortgage rate of 1 percentage point will reduce the December retail price index by about 0.3 per cent. The last move in mortgage rates was on August 1, when they jumped around 2.5 percentage points to between 12.5 per cent and 13 per cent. The rate moves were announced after the Building Societies Association Council meeting in London yesterday.

The BSA, which no longer "recommends" rates, yesterday "suggested" that a cut in mortgage rates of about 1 per cent "would be appropriate" given the current circumstances.

However, the Abbey National was at pains last night to point out that it had made the decision to reduce its rates at a board meeting last week, before the BSA council meeting. "The BSA does not set rates," the society said.

India to go ahead with election

BY JOHN ELLIOTT IN NEW DELHI

INDIA's general election will take place around the end of the year, despite the assassination last week of Mrs Indira Gandhi. The most likely time, carrying last minute hitches, is the first week of January or, possibly, the last few days of December.

The exact date may become known within the next week to 10 days and Mr Rajiv Gandhi, the Prime Minister, is expected to win a comfortable victory for his Congress party.

The timetable has become clear at the end of Mr Gandhi's first full and successful week in office. He has impressed people with his strength of character and his success at rebuilding confidence after the turmoil of the assassination and the subsequent Hindu attacks on Sikhs, in which approaching 1,000 people died.

Senior Government officials are pleased and relieved that this quiet, shy, 40-year-old ex-airline pilot, with no previous ministerial experience, has shown a will and ability to lead. "Overnight—no, even faster, within a few hours—it was a different Rajiv," in charge,

taking decisions," said one close adviser.

"What really impresses people who meet him is that no-one thinks of him as a young man, though he has used his smile and youth to charm opposition leaders saying: 'I am young and you have been in politics much longer,'" reported another.

He impressed millions of people across the world when he was seen on television, calmly leading the cremation ceremony a week ago while many of the 60 world statesmen who met him individually after his mother's cremation similarly praised him.

He has also managed to please industrialists by transferring responsibility for company affairs from the Ministry of Justice to the industry ministry when he announced his cabinet last weekend. The aim was to remove a major bottleneck in approval of industrial licences which form a major hazard for businessmen in India.

"This is a very small step but most significant for domestic and foreign investments and

collaborations which will sometimes now be approved six months to two years earlier," said Mr Tarun Das, director general of the Association of Indian Engineering Industries.

He has also soothed irate and frightened Sikh businessmen who were threatening to leave New Delhi unless the security of their homes and investments was guaranteed.

"We are solidly behind our Prime Minister, and all sides of the community should work to strengthen his hands," said Mr Charanjit Singh, a prominent Congress MP whose Cola drink factories were destroyed in last week's rioting.

Mr Rajiv Gandhi's initial major achievement was quickly to form his cabinet—almost the same as his mother's apart from two dismissals. He thus established continuity of government and its policies in the eyes of the country and the visiting foreign leaders.

After the cremation he successfully re-established law and order. He sacked the Lt-Governor of Delhi in whose area the worst riots took place and now he has promised

Legal cases threaten NUM and top officials

By John Lloyd and Raymond Hughes

NEW LEGAL moves threaten the National Union of Mineworkers and its leading officials—but most of its £10.6m funds have so far escaped sequestration.

The disclosures at the High Court yesterday came on a day when

Transport unions called on their counterparts overseas to mount a blockade of coal and oil shipments to the UK.

Mr Jack Eccles, the TUC chairman again crossed swords with Mr Norman Willis the TUC general secretary over TUC support for the miners. Mr Eccles said: "A 100 per cent victory is not possible."

Violent incidents flared at Cortonwood Colliery in South Yorkshire, where 4,000 pickets attempting to stop one miner going to work, clashed with police.

The drift back to work continued at its high rate, with 217 miners reporting to work for the first time, bringing the week's total to 3,200, six times the previous best.

A peace formula was worked out between the Transport and Road Workers' Union and Road Transport, which is likely to end legal action by the company against the union.

Mr Neil Kinnock, the Labour leader, conceded that there were "fantastic pressures on the miners" and that he would wait and see whether or not the strike crumbled.

Government ministers stepped up their attacks on the NUM. Mr Adam Butler, Minister for Defence Procurement, drew a comparison between violent picketing and the activities of the IRA, while Mr Peter Rees, the Chief Secretary to the Treasury, underlined the links between the NUM and the Libyan regime.

Legal moves, brought by 16 working miners in various coalfields, seek to remove from office the NUM's three trustees—Mr Peter Heathfield, the general secretary, Mr Henry Richardson, the Nottinghamshire Secretary, and Mr Sammy Thompson, the Yorkshire vice.

Continued on Back Page

Rowland buys Fraser shares

BY JOHN MOORE, CITY CORRESPONDENT

MR ROWLAND "Tiny" Rowland, chief executive of Lonrho, is still keeping the House of Fraser stores group guessing. Just one week after selling a 29.9 per cent stake in the group to the wealthy Al-Fayed family of Egypt for £138.3m, Lonrho yesterday disclosed that it had bought another 4.6 per cent stake in Fraser.

Last night there was speculation in the stock market that Mr Rowland was already beginning to sell the Fraser shares on to other parties as part of an elaborate stock market juggling operation. Fraser shares closed up 8p yesterday at 310p.

The Stock Exchange had earlier insisted that Lonrho disclose its latest shareholding in Fraser, which it bought for around £21m, even though it was under the 5 per cent level at which shareholdings have to be disclosed. The Panel on Takeovers and Mergers, which was examining the disposal of the 29.9 per cent shareholding in Fraser to the Al-Fayed brothers, was also tracking yesterday's developments.

As Lonrho disclosed its holding of 7m shares, the group indicated its chairman, Lord Duncan-Sandys and Mr Rowland intended to retain their seats on the board of House of Fraser.

Part of the block of 7m Fraser shares acquired by Lonrho came from a sale of shares by Mr Jack Hayward, the Bahamas-based businessman who has supported Lonrho in the past in its long-running battle for control of the Fraser group. Mr Hayward this week

disposed of his entire holding of 2m shares, representing 1.3 per cent of the Fraser equity, for about 29p a share.

Mr Hayward said: "I said I'd sell my shares two months ago. But this is very, very interesting."

Lonrho said that it had been approached "by certain brokers" offering several parcels of shares and "had been advised by the appropriate government department that it was permitted to buy shares."

The group added that House of Fraser, "retains interesting investment opportunities. Lonrho is not acting with any third party."

The Department of Trade and Industry, whose officials met Lonrho executives on Wednesday, and the Office of Fair Trading said that there was nothing in current undertakings given to the authorities by Lonrho to stop it raising its present stake to 29.9 per cent, following the sale of its other holding to the Al-Fayed family.

Professor Roland Smith, chairman of Fraser, and other Fraser directors, were unavailable for comment yesterday and were studying the latest Lonrho moves.

The House of Fraser board said last week that it intended to invite two of the Al-Fayed brothers to join the Fraser board. They are Mr Mohamed and Mr Ali-Al-Fayed. Lonrho said yesterday that "it would welcome the appointment of the Al-Fayed brothers." Background, Page 3; Lex Back Page

Injunction against Sipra

BY DAVID LASCELLES

JOHNSON MATTHEY BANKERS last night obtained a High Court injunction to stop Mr Mahmood Sipra proceeding with his U.S. action for \$300m (£236m) in damages against JMB and the Bank of England.

Mr Sipra, a client of JMB, has accused the Bank and JMB of trying to destroy his business and has begun proceedings in the Supreme Court of the State of New York.

JMB argued that if the action were to proceed at all it should be in the UK. Mr Sipra is expected to ask to have the injunction discharged on the grounds that a UK court has no power to direct events in a foreign court.

Meanwhile a group of 40 banks has arranged a £250m financing package for Johnson Matthey PLC, the former parrot of JMB. Bank denies blame for JMB problems. Page 3

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DOLLAR

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SwFr 2.4215
Y246.85

London

DM 2.945 (2.941)
FF 9.038 (9.035)
SwFr 2.4235 (2.4165)
Dollar Index 138.3 (138.2)
Tokyo close Y241.2

U.S. LUNCHTIME RATES

Fed Funds 9 1/2 %
3-month Treasury Bills 5.53 %
11 1/2 % Long Bond 10 1/4 %
yield 11.63

GOLD

New York, Comex Nov latest 337
London-994.75 (994.75)

STERLING

New York lunchtime \$1.2615
London \$1.262 (1.2695)
DM 3.715 (3.7375)
FF 11.625 (11.4725)
SwFr 3.0575 (3.0725)
Y303.75 (306)

LONDON MONEY

3-month interbank mid rate 10 1/4 % (10 1/4 %)
3-month eligible bills buying rate 9 3/4 % (same)

STOCK INDICES

FT Ind Ord 900.1 (+7.1)
FT-A All Shars 549.61 (+0.5%)
FT-SE 100 1164.2 (+5.9)
FT-A long gilr yield index High coupon 10.08 (10.12)
New York, lunchtime Dow Ind Av 1,232 (+8.31)
Tokyo Nikkei Dow 11,239.28 (+72.36)

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OVERSEAS NEWS

E. Germany to let thousands more leave for West

BY LESLIE COLLIT IN BERLIN

EAST GERMANY has informed the Bonn Government that several thousand East Germans would be permitted to emigrate to West Germany from now until the end of the year.

Herr Peter Boenisch, the chief West German Government spokesman, disclosed this in an effort to dissuade more East Germans wanting to leave the country from seeking refuge in West German embassies in Eastern Europe.

About 100 East Germans, who sought refuge in West Germany's embassies in Prague and Budapest, have been joined by more than 20 more in Bonn's embassies in Warsaw and Bucharest.

In a message directed to East Germans, Herr Boenisch said that seeking refuge in Bonn's embassies was not the "appropriate" way to emigrate from East Germany.

He noted that East Berlin said it was no longer prepared to give exit permits to those citizens who tried to "force their emigration" in this manner.

The Bonn spokesman said the number of East Germans permitted to leave the country had again risen during the past two months. In the first seven months of the year, some 25,000 East Germans were allowed out to West Germany, the largest exodus since the Berlin Wall was built in August 1961.

Last year, 11,300 East Germans were permitted to leave, according to Herr Boenisch's appeal to East Germans reflected a bizarre

West Germany expelled five Romanian diplomats yesterday, following investigation into alleged plots to bomb Radio Free Europe and kidnap a Romanian emigre, AD reports from Bonn.

Bonn's Foreign Office issued a statement saying the Romanian Chargé d'Affaires had been asked to see that the five leave West Germany "as time was given."

soon as possible." No dead-end common situation in which East Germans are informed of their own government's actions by West German officials. East Germany does not publicly acknowledge that any of its citizens want to leave.

The West German spokesman said that East Germany had given an assurance that those citizens who left the Prague embassy for home would not face prosecution. Two groups, totalling about 50, agreed to leave the embassy on Thursday and yesterday. They were able to apply for exit permits but were given no guarantee they would be allowed to leave, he said.

Many of the East Germans were there since September and some were recently able to slip into embassy grounds, despite controls by the Czechoslovak police.

FDP reveals donation of DM6m from tax exile

BY RUPERT CORNWELL IN BONN

THE HAPLESS Free Democrats (FDP) yesterday sank deeper still into the morass of West Germany's ever widening political payments scandal, as feuding between the major parties increased sharply over the affair.

The FDP has finally been obliged to reveal that the source of the hitherto unexplained DM 6m (\$1.5m) donation to the party in December 1983 was Herr Helmut Horten, former owner of the Horten store chain, who now lives as a tax exile in Switzerland.

The money was first offered by Herr Horten to Herr Walter Scheel, former Federal President and honorary chairman of the FDP at a meeting in Salzburg, Austria, in summer 1983.

But, according to Herr Horten, the money was only transferred to the Free Democrat coffers "at the wishes of the party" in December 1983. At the start of 1984 a new law came into effect here, obliging all donations to parties of over

DM 20,000 to be declared. In a radio interview yesterday, the former store-owner said he gave the money because he did not want the "small and middleclass" FDP, currently fighting for its political life, to disappear. The donation in fact reduced the party's debts from DM9m to DM3m.

Herr Willy Brandt, the chairman of the opposition Social Democrats (SPD) last night described the revelations as "breath-taking" and accused the Free Democrat leadership of deliberately seeking to deceive Parliament and the people.

The bitter atmosphere has moreover spread into the workings of the Bundestag committee probing the payments tangle, revolving around donations from the Flick industrial group to political parties during the 1970s.

The SPD, in its determination to secure further public interrogation of Chancellor Kohl over the Flick affair, threatened yesterday to complain to the Federal constitutional court

France, Italy move closer to new frontier accord

BY PAUL BETTS IN PARIS

FRANCE and Italy moved closer yesterday to agreeing a frontier movement of people and goods between the two countries. This emerged at the end of talks in Paris between President Francois Mitterrand and Sr Bettino Craxi, the Italian Prime Minister.

President Mitterrand said France and Italy wanted to reach an agreement similar to the accord signed earlier this year between France and West Germany to open their common frontier further.

However, President Mitterrand acknowledged that France and Italy continued to differ on the EEC wine controversy. He warned that if a solution to the problem was not found soon, the issue could eventually delay the entry of Spain and Portugal into the European Com-

munity in January 1986. The wine issue also involved West Germany and was not simply a Franco-Italian problem. President Mitterrand added.

The French President said France and Italy had also discussed military collaboration on the joint development of anti-tank missiles and a troop-carrying helicopter.

The two countries had also discussed their joint bid for the construction of a nuclear power plant in Egypt, and collaboration in the telecommunications sector.

Both President Mitterrand and Sr Craxi emphasised the overall good relations between their countries, and their common view on major international issues.

Managua prepares to go on war-footing

BY TIM COONE IN MANAGUA AND REGINALD DALE IN WASHINGTON

THE NICARAGUAN capital of Managua is shoring up a possible direct U.S. military attack. Sr Jaime Wheelock, Minister of Agriculture, and one of the top nine Sandinista leaders, yesterday told 20,000 youths and students about to leave for the mountains to pick coffee in voluntary work brigades that they are to be kept in the capital instead.

They should prepare themselves for the defence of the city, alongside other militias and the army, he said. Defence plans for the capital were to be put into operation immediately and "every youth and all the people of Managua are to be given a rifle." The capital has a population of more than 800,000.

Meanwhile in Washington Mr Caspar Weinberger, U.S. Defence Secretary, denied Nicaragua claims that the U.S. had alerted its forces for use in Central America—although he added that Washington was continuing to "watch the situation" there.

The Pentagon said that U.S. military exercise in Georgia involving the 82nd and 101st Airborne Divisions, had nothing to do with concern over

THE U.S. had invented stories of Soviet MiG-21 jet aircraft being sent to Nicaragua as "a pretext for a direct armed invasion" of the country. Tass, the Soviet news agency said yesterday, Patrick Cockburn reports from Moscow.

The U.S. was preparing to use ground troops because of previous efforts to overthrow the left-wing Government in Nicaragua, through armed subversion, and economic pressure had failed. Tass went on. It claimed 25 U.S. warships had started manoeuvres in the Caribbean.

A further report accused the U.S. media of "spreading

fabrications about some cargo brought to Nicaragua by the Soviet ship Bahuriani."

Kevin Brown in London adds: in the House of Commons yesterday Sir Geoffrey Howe, British Foreign Secretary, called for "the greatest possible restraint on all sides" over reports that advanced Soviet fighter aircraft had been shipped to the left-wing Sandinista Government in Nicaragua.

Sir Geoffrey said it would be "most regrettable" if weapon systems were introduced into Nicaragua, which would inevitably be seen as a threat to other countries in the region.



Weinberger... denied alert

Nicaragua which erupted earlier this week. Then, unidentified U.S. "intelligence sources" were reported to have said that Nicaragua was about to acquire MiG-21 aircraft from the Soviet Union.

Mr Weinberger did not see "any circumstances" which might lead to the introduction of U.S. combat troops into Central America.

U.S. officials have denied that Washington is looking for an excuse to invade Nicaragua, by playing up reports of MiGs arriving in a Soviet freighter.

While angry public statements were being exchanged between Washington and Managua, preparations were continuing for confidential diplomatic exchanges.

Mr George Shultz, U.S. Secretary of State, is to meet Father

Miguel d'Escoto, Nicaragua's Foreign Minister, at a meeting of the Organisation of American States in Brasilia on Monday.

A new round of secret talks between the U.S. and Nicaragua is expected to take place in Manzanillo, Mexico, in the middle of this month.

Nevertheless, at \$25 am yesterday, another unidentified supersonic aircraft broke the sound barrier over the

U.S. reaffirms hostility to Sandinistas despite elections

BY ROBERT GRAHAM, LATIN AMERICA EDITOR

THE REAGAN administration's opposition to the Sandinista regime in Nicaragua has been reaffirmed this week despite the endorsement of the left-wing Sandinista Government in Sunday's elections and President Reagan's own re-election on Tuesday.

America's allies in Europe are being told by senior officials that the U.S. will give as much support as it can to the rebels, based in Honduras, who are seeking to overthrow the Sandinista Government.

The officials argue that they are doing no more against the Nicaraguan Government than Cuba, Nicaragua and the Soviet

Union are doing against El Salvador by supporting the rebels there.

The U.S. Administration is also insisting that the elections in Nicaragua in no way affect Washington's view that it has the right to protect its strategic interests in the region. In this respect, the officials in private are showing little enthusiasm for the peace initiative of the Contadora group, composed of Columbia, Mexico, Panama and Venezuela.

By inference, the U.S. Administration is saying that it would still prefer the "contras" to carry out the basic work of destabilising Nicaragua. Despite the psychosis of an

impending invasion of Nicaragua within that country, the U.S. administration is insisting to its allies that it harbours no such plans.

However, officials are careful to point out that any acquisition of Soviet-made MiG jet fighters by Nicaragua would constitute an important strategic change in the region, and in the event of their delivery the U.S. reserves the right to take "appropriate action."

The U.S. has made this view very clear to the Soviet leadership and to President Fidel Castro in Cuba. Since neither

the Soviet Union nor Cuba are understood to be seeking a confrontation with the Reagan Administration reports of MiG 21s being delivered this week to Nicaragua have caused some puzzlement.

U.S. intelligence sources are convinced that some kind of military material is contained in the two Soviet vessels that have docked at the Pacific port of Corinto. One theory is that hardware elements in the Pentagon and the CIA have leaked the MiG 21 report because it evokes a much bigger public awareness of Nicaraguan military acquisition than the

Nicaraguan capital. The jet had passed near the port of Corinto 10 minutes earlier, where a Soviet ship has been unloading.

The U.S. has hinted the vessel was bringing MiG-21 aircraft to Nicaragua. Nicaragua has strongly denied the accusation.

On Thursday, the only items coming ashore from the ship were crates of ammunition. Civilian dockers who had been working on the ship said no special personnel were being used in the unloading operation.

The only items of military material they had seen in the ship's hold were ammunition boxes "and some crates no longer than three metres." The over-flight by the jet has been the third such incident in a week and the Nicaraguan Government has accused the U.S. of using the sophisticated SR-71 "Blackbird" spy aircraft over Nicaragua. Father d'Escoto called the situation "extremely serious."

At the UN, Sr Javier Chamorro Mora, Nicaragua's permanent representative, called for an urgent meeting of the Security Council to consider the "threats and violations we are suffering from the U.S."

The Administration believes that if it can show Congress that Nicaragua is acquiring important new military materiel, then the current objections to providing more aid to the "contras" will be overcome more easily. Before the U.S. presidential elections, President Reagan said he would be soon seeking new funds for the "contras."

Delivery of helicopter gunships or Czech-made counter-insurgency trainer jets. The latter are much more useful items of equipment in the fight against the "contras" and could well have been on the vessels.

The Administration believes that if it can show Congress that Nicaragua is acquiring important new military materiel, then the current objections to providing more aid to the "contras" will be overcome more easily. Before the U.S. presidential elections, President Reagan said he would be soon seeking new funds for the "contras."

Councillors quit over Apartheid

BY PAUL BETTS IN PARIS

ELEVEN black town councillors resigned yesterday in the wake of disturbances in South Africa's black townships over the past months. Jim Jones reports from Johannesburg.

The eight councillors from Durban Township near the town of Nigel and three from Tembisa said their resignations were motivated by "fear and disillusion with the system."

"I find we are faced with officials who want to implement Apartheid. Whatever representations we make to them just fall on deaf ears," Mr Robert Mouta, former Mayor of Durban, said.

Yesterday, as sporadic disturbances broke out across the country, black unionists and civic leaders sharply criticised security police raids on offices and arrests of union and civic leaders involved in this week's two-day stay-away from work in and around Johannesburg.

Serious rioting broke out in the border town of Beit Bridge early yesterday following the murder of Senator Nkomo Ndlovu, a central committee member of Prime Minister Robert Mugabe's ruling Zann-PF party, our Havre Correspondent reports.

Mr Ndlovu was shot dead by two "dissidents" early yesterday, is the most senior of five Zann-PF officials to have been killed in the past six months.

Chad withdrawal The tortuous withdrawal of French and Libyan troops from Chad is almost complete, with the two countries expected to make an announcement today spelling the end of their 15-month-old war of nerves in the troubled Central African state, David Marsh reports from Paris.

'Kremlin papers' deepen French party rift

BY PAUL BETTS IN PARIS

THE LEADERSHIP of the French Communist Party (PCF) has been deeply embarrassed by the surprise publication of a series of documents disclosing the party's relations with Moscow during the Soviet invasion of Czechoslovakia in 1968.

The documents, including conversations between Mr Waldeck Rochet, the former secretary-general of the French Communist Party, with Mr Leonid Brezhnev, the late Soviet leader, and Mr Alexander Dubcek, the Czech leader, have been published in a book called 'Kremlin-PCF', conversations secrets.

The documents are based on notes taken by M Jean Kanapa, who was at the time the equivalent of the party's shadow foreign secretary, and was the principal link between the party and the Soviet leadership.

They reveal that the French party was disturbed by the Soviet invasion and had expressed its opposition to Moscow. They also suggest that the PCF leadership was seriously worried about its traditional relations with Moscow before the French party was brought back into line by the Kremlin.

The disclosures are significant because they come at a time when the French Communist

Mulroney says mini-budget signals change in priorities

BY BERNARD SIMON IN TORONTO

THE FISCAL measures announced by the new Canadian Government in Thursday's mini-budget signalled "a change in the economic priorities," Prime Minister Brian Mulroney said yesterday.

Mr Mulroney confirmed that the Government was opening up discussion on several sensitive political issues including the "universality" of social programmes. But he said Government would try to achieve a consensus on changes by consulting provincial leaders, trade unions and the private sector.

Canadian businessmen, especially the oil industry, welcomed the measures in the mini-budget. But opposition parties and trade unionists expressed concern that public spending cuts would raise the unemployment rate above its current level of 11.2 per cent. The cuts supplemented by

U.S. wholesale price index falls

BY STEWART FLEMING IN WASHINGTON

U.S. declined for the third straight month in October as the Labour Department reported yesterday. The decline of 0.2 per cent will reinforce expectations of only moderate inflation in coming months, and that in turn seems destined to intensify pressure on the Federal Reserve Board to relax its monetary policy in the face of a weakening economy.

The three-month string of declines in the producer index for finished goods is the best performance by this indicator since 1966.

Israeli strike off A LAST minute appeal by Mr Shimon Peres, Israel's Prime Minister, has averted a threatened strike by municipal workers tomorrow, Lynne Richardson reports from Tel Aviv.

Spain's state group shuts loss-making factory

BY TOM BARNES IN MADRID

SR LUIS Carlos Croissier, who was last month appointed chairman of the Instituto Nacional de Industria (INI), announced yesterday the closure of a half-bearing plant in what was the first such summary shut-down of an INI member-company.

In a second move that appeared to chart out a bold approach to the problems of the sprawling, debt-ridden public-sector group, Sr Croissier has announced plans to sell INI's machinery plant in a textile factory. This would be another first as the group has never de-invested from a company and handed it back to the private sector.

The two decisions, approved at a midweek Cabinet session, underlines the pragmatic philosophy of the Prime Minister, Sr Felipe Gonzalez, over public ownership. Sr Gonzalez, who says he is an "unorthodox Socialist" over nationalisation, has repeatedly said that INI cannot continue to be "a graveyard for white elephants."

Sr Croissier, 34, and a former Under-Secretary at the Ministry of Industry, is a comparative veteran of the Socialist Party which he joined in 1975 and was an author of the party's electoral manifesto in the 1982 polls that brought Sr Gonzalez to power.

He replaced Sr Enrique Moya, a senior member of the powerful business lobby group, Civivno de Empresarios. The closure concerns the half-bearing plant Seler Amrial which is based in the industrialised Bajn Llobregat zone south of Barcelona and has a workforce of 379.

The company, founded in 1917, was taken over by INI in 1979 after it had suspended payments. In 1983 losses at Seler Amrial totalled Ptas 578m (\$2.7m) before tax on a turnover of Ptas 735m.

The closure of the textile plant Trasil Tarazona in which INI has a 70 per cent stake was also considered, but strong lobbying by the local authorities in Aragon reportedly turned the decision to re-privatisation.

In this case, INI has undertaken to inject Ptas 2,750 to make the plant viable and then to sell it to a consortium formed by present executives of the company and by local authorities.

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FRIENDS FOR LIFE

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Olympian run for Beaujolais

THE FIRST bottle of Beaujolais Nouveau to be drunk in New York this year will be borne like an Olympic torch through the streets of Manhattan by its Jean Benoit, winner of the women's marathon at the 1984 Los Angeles Olympics.

It is being flown from France aboard the Concorde on Wednesday. It will then be ferried by helicopter into New York before Ms Benoit runs with it on the final stage of its much shaken journey to a French luxury hotel in midtown Manhattan where it will be uncorked.

British lovers of Beaujolais Nouveau will celebrate the "Glorious Fifteenth" Beaujolais Nouveau is not allowed to be sold before November 15. The first cases will be shipped across the Channel after midnight on Tuesday for drinking in London by mid-day Wednesday.

It will also be more expensive with French producers this year increasing prices by about 15 per cent because of the smaller harvest after three years in which French prices remained virtually unchanged. Last year 13m bottles were shipped.

David Housego reports on the prospects for this year's Beaujolais Nouveau Britain consumed 18 per cent of these Beaujolais producers maintain that the 1984 vintage is a good one in a year in which French wines are down in quantity and variable in quality. Miss Fiona Beston of the Paris wine merchants Legrand who tasted it recently, said that after the dreadful weather she was surprised to find it "reasonably good."

"It rained during the harvest," she said, "and that swelled the grape but watered down the quality."

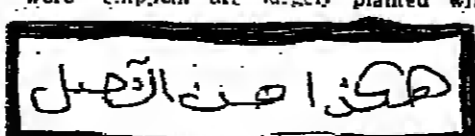
A cold and wet spring followed by rains in September and October have meant that production of Appellation Controlee wines is likely to be down by 25 per cent on the abundant harvest of 1983. Worst hit have been the St Emillion and Pomerol vineyards of the Bordeaux region which are largely planted with the

Merlot grape. This was struck by coulure as happened in 1943 and 1961 which means that the blossom fell at the time of flowering. It is today the most common cause of small wine crops and St Emillion and Pomerol have only harvested 25-40 per cent of last year's crop.

The "grand crus" of Bordeaux - Cateau Latour and Chateau Mouton for instance - suffered less because they are largely planted with the Cabernet Sauvignon grape which was not affected. But the wine is likely to be harder and need longer to mature.

Burgundy producers say that they will have a smaller crop than in 1983 and variable in quality. The harvest in the Champagne region was about a third down on last year - a relieving the problem of overflowing stocks as a result of the last two abundant crops.

The one area where the crop this year has been abundant has been the Midi which produces the bulk of France's cheap table wine. Most years much of it is distilled as alcohol at EEC expense thus draining the EEC's coffers.



UK NEWS

Bank denies blame for JMB problems

By David Lascalle
The Governor of the Bank of England yesterday denied charges that the near collapse of Johnson Matthey Bankers arose from the Bank's failure to regulate the bullion and commodities markets.

In a letter to Dr David Owen, the leader of the Social Democrats who has sharply criticised the rescue, Mr Robin Leigh-Pemberton said: "The difficulties of the bank arose exclusively from its commercial lending operations."

He denied that the Bank had known for more than a year that JMB was getting into difficulties. "Whilst we had some general concerns about the bank, the existence of problems in its commercial loan book became apparent only during the summer of this year."

The Governor also defended the £150m package of indemnities put together this week by the Bank and a group of banks to cover JMB's loan losses, of which the Bank itself is putting up £75m.

"Since the Bank stands behind JMB as owner, any sharing of possible losses reduces the potential cost to the Bank correspondingly." The package also "demonstrates the support of banks for the system."

The Bank stands behind JMB and its subsidiaries and while the exact extent of the bank's losses has yet to be determined, "it is made a significant contribution to the profits of the group and our preliminary examination gives no grounds to believe that they will not continue to do so."

Mr Leigh-Pemberton also repeated his earlier assertions that the rescue of JMB was necessary to protect the bullion market, in which it is an important participant.

Accountancy merger approved in U.S.

THE U.S. Justice Department last night gave its consent to the proposed merger of Price Waterhouse and Deloitte, Haskins and Sells, both international firms of chartered accountants.

After a comprehensive investigation, the department's anti-trust division said it concluded that the merger would not raise any significant competitive concerns in any relevant U.S. market in which the merging firms compete.

If the merger is approved, it will create the largest partnership in the world, with a \$32m (£1.5bn) annual-fee income.

Guardian Royal to raise car premiums

GUARDIAN Royal Exchange Assurance private car premiums will be increased on a selective basis by an average of 6 per cent from December.

The age limit for the company's no-claims discount protected policy—which allows two claims in a three year period without the loss of no-claims discount—is to be lowered to make it available to people aged 22 and over.

BA pledges big staff role in privatisation

BRITISH AIRWAYS is pledged to see to the maximum possible staff participation in the shares flotation of the airline, in next year's privatisation, Mr Colin Marshall, chief executive said in the latest airline staff newspaper.

Answering questions on privatisation—believed to be planned for mid-February—Mr Marshall said that precise details of staff participation were being worked out.

Mr Marshall also stressed that privatisation would not mean further job losses. He said the workforce had been cut by 22,000 to 38,000 in the last few years, and added: "We don't want to have to repeat that."

Environmentalists attack pesticide Bill

THE MINISTRY of Agriculture yesterday published the expected Bill giving its statutory control over the supply and use of pesticides.

The Bill, framed in general terms, was attacked by Friends of the Earth, an environmentalist group, as "vague, cynical and inadequate."

British companies, by contrast, will emerge largely unscathed when the scheme goes into effect next spring.

Minister sees effect of port tax revision

MR BARNEY HAYHOE, Minister of State, Treasury, visited Dover yesterday to see how port traffic was flowing after a week's operation of new arrangements for collecting value-added tax on imports as they came into the country.

"Afterwards, he said: 'I think everyone concerned is doing a excellent job and things will be better.'"

House of Fraser sees Lornho looming large again

John Moore on the latest round of a long-running City battle

"THANK GOD I'm out of it—it's been such a trauma," Mr Jack Hayward, the Bahamas-based businessman and one of Mr Roland "Tiny" Rowland's fans, was reflecting on the sale of his own 2m block of shares in House of Fraser a few days ago and Lornho's announced purchase of 7m shares in the stores group.

Over the last few days, stockbrokers acting for Mr Rowland and Lornho had been instructed to buy shares in House of Fraser and the bidding for shares had been aggressive. The purchase was made only days after Mr Rowland had sold Lornho's 29.9 per cent stake in House of Fraser to the business interests of the Al-Fayed family of Egypt.

Speculation was rife in the City about Mr Rowland's motives. Was it a caprice or did it form part of a master plan? The permutations and combinations being worked out by the once again beleaguered House of Fraser board of directors seemed endless.

At first, some City observers argued that Mr Rowland, in a fit of pique and angry at the publicity of last weekend which had suggested that he had lost his battle for Fraser, had decided once again to establish shareholding links with Fraser. He did not like being perceived as a loser.

As the news sank in it became clear that Lornho had created several other possibilities by its latest move. It could increase its stake to 29.9 per cent in Fraser.

Any hopes that Lornho's long running stalking of House of Fraser and its battle for control had ended were dashed by yesterday's news.

There were many theories being advanced about what Britain's most mercurial and determined tycoon might be planning.

The Department of Trade and Industry and the Office of Fair Trading indicated yesterday that Lornho would not be in breach of its undertakings which it had to give to the department following the adverse Monopolies and Mergers Commission ruling three years ago when Lornho bid for Fraser.

As long as Lornho does not go above 29.9 per cent in its shareholding at Fraser it will not be in breach of the undertakings. And, of course, it sold last week, its existing 29.9 per cent in the Al-Fayed brothers, Mohamed, Salah and Ali.

The purchase by the Al-Fayed brothers is being studied by the Office of Fair Trading, to see whether it should be recommended to the Monopolies and Mergers Commission, while Mr Rowland's own plans for House of Fraser are still under review, for the second time in three years, by the Commission.

If the Commission ruled in Lornho's favour this time, Lornho would be allowed to bid. While if the Al-Fayed brothers' deal was referred to the Commission and an adverse decision was made then the brothers might wish to sell their stake. They might, in those hypothetical circumstances, sell their stake to Lornho, if Lornho is free to buy the shares.

Lornho might be whistling in the dark. The Monopolies and Mergers Commission, in its latest review, is said to be taking a tough line and may adversely rule again against any bid by Lornho.

The Al-Fayed family, who have indicated that they are prepared to make an offer for Fraser, might then find itself dealing with a large and powerful single seller, Lornho. Lornho might force another deal to be struck, which could give it control or influence in its quarry, Harrods of Knightsbridge.

The attitude of the authorities will be crucial to any long term aim of Lornho, but for the moment the Fraser board faces other difficulties.

Lord Duncan-Sandys, Lornho's chairman, and Mr Rowland have said that they intend to retain their seats on the Fraser board. The Al-Fayed brothers, Mohamed and Ali, are to be offered seats on the board by Fraser. The brothers, who did not seek the removal of the Lornho camp from the board as part of the deal, have indicated that they are likely to support the board in the removal of the Lornho directors from the board. Then there is the question of the other Fraser shareholders who are supporters of Lornho. Unless they have sold their shares, and it was not clear yesterday, Lornho counts among its supporters the family trust of Sir Hugh Fraser, the deposed chairman of Fraser and Dr Ashraf Marwan, the son-in-law of the late President Nasser, which together account for over 6 per cent of the shares.

It might count on the possible support of the Merchant Navy Officers Pension Fund, with 3.5 per cent of the shares.

With its newly acquired block of 4.6 per cent of Fraser's shares, Lornho and its supporters could muster around 15 per cent of the shares in any future campaign. If the Al-Fayed brothers decide to side with Lornho, Mr Rowland would be in a more commanding position than ever at Fraser, inside and outside the Fraser boardroom.

For House of Fraser the nightmare is far from over.

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For House of Fraser the nightmare is far from over.

MSC revises Jobcentre restructuring proposals

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

THE MANPOWER Services Commission yesterday launched a renewed attempt to restructure the national Jobcentre network at a saving of £8m a year.

Revised proposals drawn up by commission officials consider criticisms of their original plan, published in April, which have come from unions, MPs and other interested parties.

But the new proposals still envisage the loss of 530 jobs, compared with 800 under the April scheme.

Initial union reaction yesterday was that the commission had moved its position in response to industrial action which greeted the original plan. But union leaders meet Mr Bryan Emmett, chief executive of the commission's employment division next week they will tell him they remain unhappy.

"At the end of the day, these proposals still fall well short of the employment service our members want to provide," said Mr Julian Dodds, Society of Civil and Public Servants official responsible for the commission. "They are essentially the April proposals in a different package," he added.

Under the plan, the number of Jobcentres would increase from 991 to 1,065. No closures are proposed apart from eight amalgamations in towns which have more than one centre.

But not all the 1,065 Jobcentres in the new network would provide a full range of services, and this is a factor which worries critics. About 190 centres would become part-time, compared with 31 now. Commission officials say, however, that 662 of the 855 centres offering full services would continue to do so—and that these locations cover 85 per cent of Jobcentre activity.

The Commission also proposes to repay the fares of job-seekers who have to travel more than three miles to reach main centres providing full services. Payment is normally made only for journeys of six miles or more.

Plans to locate small "job-points" in places like supermarkets are toned down in the revised proposals. The Commission has had difficulty finding suitably priced accommodation in the private sector. But seven offices have opened recently in libraries and other local authority buildings, and 30 more are planned by 1988. Some of these could be in the private sector.

Mr Geoffrey Holland, director of the MSC, said the proposals were aimed at widening the role of Jobcentres as a gateway to a range of services. He went on: "There is no place at the moment in the local community where you can go to get a range of information on things like job opportunities, training, starting a business and help for the unemployed. We want the Jobcentres to become this sort of information point."

Commission officials hope the 530 staff reductions contained in the revised plan could be achieved by natural wastage. The projected £8m per year saving by 1988 compares with £12m per year under the original proposals.

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New towns sell assets of £55.3m

By Michael Cassell, Property Correspondent

A FURTHER £55.3m of property assets formerly owned by the new town development corporations have been sold to the private sector by the Commission for the New Towns.

Since 1979, when the Government asked the commission to organise the sale of new town commercial and industrial property assets, more than £265m worth of property has been sold, the majority of sales to existing occupiers.

The annual report of the commission published yesterday, said it also agreed sales terms on a further £32m worth of property during the year ending March 1985.

The commission is responsible for about £500m of property assets, a figure which will rise over the next 18 months to more than £1bn, once it accepts responsibility for property owned by five additional new town corporations.

According to the commission, its successful sales programme has been carried out despite a relatively weak property market.

Existing tenants in properties due to be sold are given first priority to purchase and time to seek finance or to form a consortium to negotiate the purchase. In its last financial year, the commission negotiated 130 sales to individual tenants, representing 60 per cent of total receipts. There were also five consortium transactions involving 50 tenants.

The disposal programme has included town centre shopping schemes, industrial property, office buildings and land.

The commission is also responsible for the management of property not yet sold. In its last financial year, it received 2,270 applications for 2,270 units against 1,981-82 despite the disposals.

The commission, which said it has also rationalised its organisation to achieve administrative cost savings of £1m, claimed it had been successfully carrying out one of the most important parts of the Government's privatisation policy "without the glare of publicity that has been associated with the disposal of other government assets, such as British Telecom, Enterprise Oil and British Airways."

The annual report said the emphasis of the sales programme had moved away from town centre assets, most of which had been disposed of.

The Government last night published the New Towns and Urban Development Corporations Bill which will give added impetus to the commission's property disposal programme.

The Bill, designed to encourage the winding-up of the new towns programme, says the commission's primary function must be to dispose of property assets "as soon as it considers it expedient to do so."

New Town and Urban Development Corporations, SO, £3.15

BTG five-year plan backed by ministers

BY SUE CAMERON

MINISTERS HAVE approved a five-year plan for British Technology Group, so lifting doubts about BTG's future. BTG is the umbrella title under which the National Enterprise Board and National Research Development Corporation have operated for the past three years.

The Government's policies favouring the private sector had raised speculation the group might be closed, BTG is, however, being revamped and its future now seems assured. There are three main reasons for this:

● The group has now divested itself of most of its National Enterprise Board inheritance.

● Pre-tax profits for NRDC rose from £2.3m to £5.18m last year.

● BTG's new corporate plan is designed to expand the group's traditional role in transferring new technology from the laboratory into commercial production.

Of the NEB inheritance Mr Colin Barker, BTG chairman, yesterday told a press conference that a year ago the group's holdings in other companies had accounted for 80 per cent of its total portfolio.

Over the past 12 months, however, BTG had sold off or diluted its outside holdings in 24 groups and raised £125m in the process.

He said 23 more disposals were under negotiation and when these had been sold BTG would have 93 very small investments worth under £50m at their original cost. Money raised from disposals would be returned to the Government.

Of the rise in NRDC pre-tax profits Mr Stephen Dollond, BTG marketing director, said last night that the group's continuing profit record had certainly helped to lift any doubts about the group's future.

Under the new corporate plan the group will offer up to 50 per cent of the finance for consultancy work and for contract research and development whereas until now it has tended to concentrate on the patenting and licensing of new discoveries.

BTG said yesterday that the market in consultancy work by universities and in contract research and development work by universities, had been growing at about 20 per cent to 30 per cent a year. The universities now reckoned the market worth £30m to £40m a year.

BTG's corporate plan will enable the group to invest about £15m a year from its own resources. This will make it possible for its current rate of investment in development projects at universities and other public sector bodies to be at least doubled.

TV-AM, the commercial breakfast channel, has just had its best week in the ratings. The total cumulative audience for the week ending November 4 was 11.2m, the largest the station has drawn.

The total was boosted by live satellite coverage of Mrs Indira Gandhi's funeral last Saturday. The peak Saturday audience at 2.7m was the highest daily viewing figure the station has had.

TV-AM said it had many letters of thanks from the UK Indian community for its New Delhi coverage.

The peak Monday-to-Friday audience averaged 2.1m, £1m in deferred transmitter fees.

Call to lift block on aircraft sale

BY KEVIN BROWN

THE GOVERNMENT yesterday sent a clear signal to the European Commission that it expects an end to the Caribbean order for four British Aerospace aircraft.

The £15.5m order from Leeward Islands Air Transport for four BAe Super-748 turbo-prop short-haul aircraft was blocked when the European Commission refused to approve development aid.

M Edgard Pisani, the French Commissioner responsible for development, recommended instead that LIOT should purchase the French-Italian ATR 42 turbo-prop, which is more technologically advanced than the BAe aircraft.

LIAT has since submitted fresh evidence to the commission on the economic advantages of the BAe 748. However, a final decision is to be made in the next few weeks.

Mr Timothy Raison, the Overseas Aid Minister, told the Commons the rules governing the EEC development aid programme required the commission to take into account the most advantageous use of the money.

LIAT's new evidence was "a rebuttal" of the commission's case for insisting on financing only the ATR 42.

Mr Raison told MPs: "Mr Pisani will review this most carefully. I believe he can be persuaded by objective analysis showing that the Super-748 offer is the most economically advantageous."

The UK expected the rules to be fully and clearly applied in the case of the LIAT contract. "I do believe that Commissioner Pisani will ensure that this will be done."

said London was still the centre for display.

British furniture marketing remains depressed, according to the latest statistics. Domestic furniture deliveries, excluding beds and mattresses, were estimated in August to be worth £81.1m at current prices.

The volume of deliveries from UK furniture makers in the three months June-August was 4.6 per cent lower than in the previous three months and 0.4 per cent only higher than in the corresponding period last year.

Orders are not encouraging, according to the latest statistics. The average of the volume of orders for the three months June-August was 5.8 per cent higher than in the previous three months but 9.4 per cent lower than in the corresponding three months last year.

There are about 1,000 producers and this fragmentation of the industry and the increasing purchasing power of a few retailers are overshadowing this sector.

Two retail chains seem to dominate the market. They are Harris Queensway in the upholstery sector and MFI in the cabinetry furniture sector.

Both have been upgrading sales products in recent years. In each sector they are producing an effect on the prices they can obtain from quality furniture producers. The final result may be cheaper good quality furniture for the consumer.

Medicines available on NHS

Call to make computers easier to operate

By Alan Cane

MOVES TO make personal computers easier to operate for the casual or inexperienced user and sharp warnings that hardware and software suppliers were falling down on quality control were the main themes of the second FT Professional Personal Computers conference, which closed in London yesterday.

Ms Jacqueline Morby, general partner with TA Associates, the U.S. venture capital organisation, said the personal computer market today was frightening for investors and entrepreneurs.

She said the flamboyant days were over and warned that companies which set out simply to copy innovative products like Lotus's 1-2-3 integrated software package were doomed to fail.

Investors now sought smaller, niche markets and companies with sound management, superior technology and a sensible attitude to profitability. Her criteria for investment were high standards of management, technological leadership, low capital needs and low valuation.

Symphony, the successor to the Lotus 1-2-3, was probably at the limit of sensible software integration, said Mr Mitchell Kanor, Lotus chairman and chief executive.

He said there was no one solution and no one right way to build software. He said that on Monday Lotus would announce an integrated software package for the Apple Macintosh, an innovative machine which uses pictures on its screen to make it simpler for its user to operate.

The package was designed for the less sophisticated computer-user: "We do not wish to force interaction on people," Mr Kanor said.

Mr Paul Bailey, Digital Research's vice-president for European operations, said growth rates predicted by market research firms for the personal computer market were machines would have to be created to appeal to a new class of user with little or no desire to learn traditional computing methods.

He foresaw the need to make rapid progress in developing a simple interface between man and machine, in developing communications to link personal computers one with another and in developing the virtual personal computer, a machine with sophisticated software which enabled it to run any kind of computer program.

He cited IBM's Topview, Microsoft's Windows and Digital's Gem software as examples of these trends.

A main trend over the past two years had been emergence of hardware and software making it possible to link personal computers in a company directly to the company mainframe computers so the two can share data, programs and processing power.

Mr Dennis Vohs, executive vice-president of Management Science America, the largest independent software company in the U.S., said its research showed that clients wanted to link personal computers to mainframes.

However, they wanted starter kits, software packages including word processing and spreadsheet facilities, which they could use without training and with immediate results.

Mr Roger Foster, managing director of Applied Computer Techniques, maker of the Kitzco Ace computer, said the professional personal computer industry lacked professionalism, coherence and stability. There were too many products and too many companies destined to fail.

Marketing had to be part of management philosophy so that clients and the organisation's own staff believed in their product.

UK NEWS

LABOUR

Supermarkets may open on pre-Christmas Sundays

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

BRITAIN'S major supermarket chains are thought to be poised to open for a few Sundays before Christmas...

possibility of voluntary Sunday working at special overtime rates. Tesco said these talks were only precautionary...

that it wanted to read the Home Office report and hear the Government's plans before taking any decision on Sunday opening...

Flight movements auction plan

By Michael Donne, Aerospace Correspondent

THE GOVERNMENT will have the power to sell by auction take-off and landing 'slots' at its airports under a Civil Aviation Bill...

Diners Club in voucher deal with travel agents

BY ARTHUR SANDLES IN TORONTO

CITICORP/DINERS Club International has reached an agreement with representatives of more than 50,000 travel agents...

Miners union funds elude sequestrators

ONLY £8,174 of the estimated £10.6m funds of the National Union of Mineworkers have so far fallen into the hands of the four sequestration commissioners...

to those from the other officials, had written that he had been instructed by the union's national executive...

Only £8,174 of the NUM's £10.6m funds have been seized, Raymond Hughes reports from the High Court

for £9,000 on a promissory note under which payment was deferred until January 1, 1987.

from by the High Court in Dublin. The sequestrators next discovered that on August 8, on the NUM's instructions, the Dublin bank had transferred £4m to an account at the European American Bank in New York.

A progress report by the sequestrators revealed for the first time the extent of the union's success in combating the seizure order, made on October 25 after the union failed to pay a £200,000 contempt of court fine.

Mr Justice Nicholls, who ordered sequestration, heard part of the report in private, and it was unclear from what was said in open court precisely how much of the remainder of the union's funds had, in fact, been tracked down.

Mr Larkins said that, apart from contacting banks, building societies, insurance companies, stockbrokers and the NUM's auditors, solicitors and insurance companies, the sequestrators had written to the union's permanent officials asking for information about the whereabouts of its assets.

Legal action in Dublin by the sequestrators last weekend had disclosed that £2,785,449 remained in that Irish account.

Mr Howard Page, the sequestrators' counsel, told the judge that it was likely that the NUM, which had earlier failed to get the order lifted, would agree to it being continued until a full trial in Dublin, probably in December.

Legal move to replace three NUM trustees

BY OUR LAW COURTS CORRESPONDENT

IN THE latest legal move against the National Union of Mineworkers by miners opposed to the pit strike the High Court is to be asked to remove from office the three trustees of the union's funds.

also want the court to appoint a receiver to hold the union's property. In addition, they are claiming an injunction restraining Mr Heathfield, Mr Richardson and Mr Thompson from 'investing, applying or otherwise dealing with' the union's property in breach of trust.

UNDER THREAT: Peter Heathfield, Mr Richardson and Mr Thompson from 'investing, applying or otherwise dealing with' the union's property in breach of trust.

In that case, expected before the court on Monday week, Mr Taylor and Mr Foulston are trying to make the five trustees personally liable to repay the millions of pounds of Yorkshire funds spent in support of the strike.

Area union gives funds undertaking

THREE top officials of the Derbyshire area of the National Union of Mineworkers yesterday promised a High Court judge not to use area funds to support the strike.

Mr Austen Falrest, the president, Mr Gordon Butler, general secretary, and Mr John Burrows, the treasurer, gave their undertaking when they and the Derbyshire union appeared in court to oppose claims by two working miners.

Scargill and Heathfield ordered to pay £6,000 legal bill

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MR ARTHUR SCARGILL and Mr Peter Heathfield, leaders of the National Union of Mineworkers, are faced with having to pay personally a £6,000 bill for legal costs.

At the time the costs were estimated at about £5,000. Since then the bill has been examined by a High Court taxing Master to ensure that all the items on it could properly be claimed.

This could involve attachment of their bank accounts or seizure of personal property.

The last time Mr Scargill was faced with a demand on his own pocket—a £1,000 fine imposed for contempt of court—the fine was paid anonymously.

The union itself undertook to disclose the contents of the union's accounts and to report all future transactions to lawyers for the two working miners, Mr Roland Taylor and Mr David Roberts.

Tucano order would create 3,500 jobs, says Shorts

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SHORT BROTHERS, the Belfast-based aircraft manufacturer, has told the Government that more than 3,500 new jobs would be created in the aerospace industry...

Car production expected to fall below 1m this year

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

UK CAR production in 1984 is almost certain to drop below 1m after reaching that level last year for the first time since 1979.

Austin urges strikers to cross picket lines

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

AUSTIN ROVER, BL's volume car subsidiary, will step up pressure over the weekend to encourage manual workers to cross picket lines.

Order against Welsh dockers withdrawn

By Robin Reeves

A HIGH COURT injunction ordering the Transport and General Workers' Union to stop its Cardiff dockers members from blocking lorries owned by Richard Read (Transport) and George M. Read is to be withdrawn next week.

Labour Party 'faces loss of half its union income'

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LABOUR Party treasurer, Mr Sam McCuskie, last night forecast that as much as half of Labour's trade union-derived income is at risk from the Government's legal proposals to ballot unions on the continuation of their political funds.

CND attacked by member of electricity board

By A Special Correspondent

THE Central Electricity Generating Board yesterday accused the Campaign for Nuclear Disarmament of 'hypocrisy and hubbub'.

Lords set to allow televising of debates

By John Hunt

THE House of Lords is almost certain to allow cameras to televise its proceedings for a six-month experimental period next year.

ECONOMIC DIARY

MONDAY: EEC Agriculture and Foreign Councils meet in Brussels. European Parliament in session in Strasbourg (until November 16). Index of output of the production industries (September). Retail sales (October - provisional). Lord Mayor's banquet. Engineering unions submit pay claim. Mr Nigel Lawson, Chancellor of the Exchequer, makes autumn statement. Rebel miners take legal action against Yorkshire NUM.

NUJ chief calls for new merger talks with NGA

By David Goodhart, Labour Staff

MR KEN ASHTON, general secretary of the National Union of Journalists, has called for top level talks on resuming negotiations on a 'principled merger' with the National Graphical Association print union.

SAVINGS OFFERS

Table with columns: Name and description, Size (£m), Current Price, Terms, Conversion dates, Flat yield, Red. yield, Premium, Income, Cheap (+) / Dear (-) Current

UK CONVERTIBLE STOCK 10/11/84

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Today's Rate 11%

Table for 3i Term Deposits with columns: Terms (years), Interest %

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Handwritten signature or note at the bottom of the page.

Spill in 10

THE WEEK IN THE MARKETS

In confident mood ahead of Telecom

After last week's strong performance by the gilt market—the long end saw gains of over 3 points—in reaction to falling U.S. interest rates and in anticipation of a cut in domestic base rates, it was asking a lot to expect prices to go much higher. The arrival of a £1bn top issue, even if it is only £20 paid, with the calls stretching out to January, was bound to take the edge off investors' enthusiasm.

Yet the mood of the market remained resilient with prices staying very close to peak levels. By last night it looked as if the Government Broker had very little left of his new tap and it could well be exhausted early next week. That might just give the market enough steam to move ahead again, but the upside potential should not be overplayed. If yields are going to be pushed well and truly into single figures it really needs to be backed by a general downward revision in the market's expectations for inflation. That does not look likely while the dollar remains at its current level and the miners continue on strike.

Activity in the equity market meantime has been rather muted and prices have been slowly slipping from the high point of last Friday. But the slide has been far from dramatic, by Thursday the FTSE index was off just 1 per cent since the beginning of the week. Yesterday morning the slow retreat continued but as the close the trend reversed itself and prices made up the last ground of the morning. It appears to be a steady background ahead of the British Telecom issue.

£225m for Currys

Dixons has launched its second and final offer for fellow electrical retailer, Currys. The bidder's terms have been lifted to two of its own shares plus 740p in cash for every three Currys shares worth around £230m or 500p a share, in round numbers. That compares with Dixons' opening shot of £188m or 400p a share.

Dixons' initial approach had very little chance of success from the very word go, and even less hope after last week's defence document from Currys' which successfully argued (despite some of the more bizarre arithmetic) that £118m undervalued the company.

The second offer, however, could be the knockout punch. The first closing date is less than it has been.

The shares slipped back a few pence on the results but assuming profits of around £132m this year—a fairly modest target—an earnings multiple of under 9 does not do full justice to the quality of AB Foods' profits, than two weeks away and unless the Currys' executive can muster something quite unexpected in terms of profits forecast and asset revaluation, then shareholders are likely to see Currys' independence to Dixons. That assumes, of course, that another bidder does not emerge.

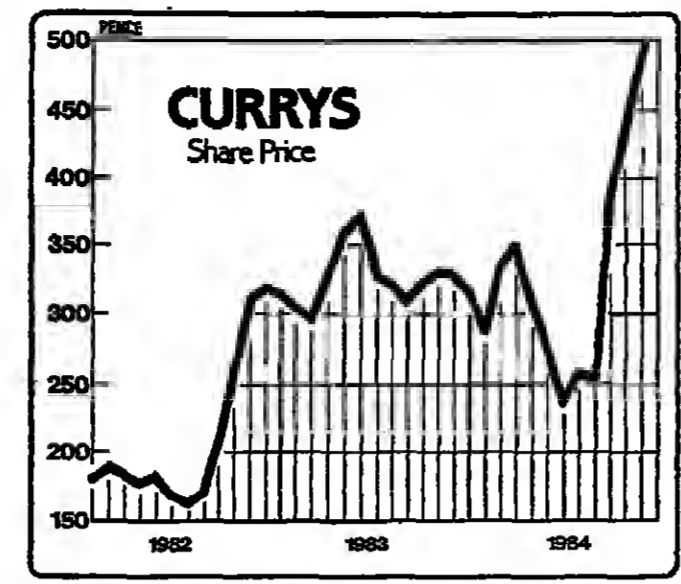
The last document from Currys did not contain any forecasts for profits or dividends so the defenders still have some ammunition left to fire off. But the latest price seems fair enough given the information from Currys so far.

The defenders' property base is worth £105.9m, or 227p a share, according to the directors' valuation last January. No doubt the current revaluation will throw up something better but using that figure as a benchmark the £230m offer suggests a price of £120m for the bare retailing activities. According to Currys' figures, net of notional rent charges, its shops made a profit of £19.6m in the year to October last.

Given Currys' record over the years an exit multiple of five on the straight retailing profits is probably sufficient to win the day if not especially generous. Even the far flung members of the Currys family are probably beginning to waver despite the rallying cry from the main board.

AB Foods

Associated British Foods, which straddles both food manufacturing and retailing with its market-leading Allied Bakeries business, Twinings tea and coffee and its High Street



LONDON ONLOOKER

presence with Fine Fare supermarkets, failed to live up to the market's best expectations this week.

Yet on the face of it AB Foods' trading performance looks quite impressive. In the half year to the end of September its trading surplus rose 23 per cent from £37.6m to £46.1m. Competition in the bakery industry remains as cut-throat as ever and the group's profitability was no doubt further eroded. But bread making still remained in the black and an improved performance from milling, thanks to internal efficiencies and a better domestic grain harvest, offset the downturn from baking.

Elsewhere amongst the manufacturing interests Twinings performed well, helped by the shift in the pound/dollar exchange rate and strong demand in the U.S. Ricquits were evidently sharply up, good progress was reported by the canning and packaging operations and edible oils benefited from stock profits.

On the retailing front Fine Fare was running well. Sales were ahead by around an eighth and after stripping out new openings and adjusting for price inflation the existing stores were rolling up respectable volume gains of 3 per cent or so. Food retailers in general have seen some of the pressures come off gross margins and Fine Fare was no exception, transforming its sales growth into a trading profit increase of about a quarter.

What clouded a solid trading achievement in the market's eyes was the mediocre returns the group's finance department managed to obtain on the £220m cash pile it banked from the sale of its interests in Premier

Reagan reverses an old tradition

NEW YORK WILLIAM HALL

A LANDSLIDE victory for a pro-business president, like Ronald Reagan, plus a cut in the prime rate, would normally be the sort of news that would give a powerful boost to U.S. equities but Wall Street has been in a contrary mood this week.

Following last week's near 12-point gain, both the U.S. equity and credit markets started the week on an upbeat note. The Dow Jones industrial average put on 27.5 points in the first two days and, by close of business on Tuesday, had broken decisively through the 1,240 level and was standing at its highest level since last January.

Analysts with an historical bent noted that since the turn of the century, the stock market had risen on eight out of the 11 occasions following the election of a Republican president. This week, however, the Dow Jones industrial average fell by close to 11 points the day after President Reagan was re-elected. And despite a quarter-point cut in U.S. prime rates to 11 1/2 per cent, long bond prices fell by 11 points. On Thursday the decline continued and, by Thursday evening, the bond market had given up virtually all of the previous week's gains.

Part of the reason for Wall Street's nervousness is that there is considerable uncertainty whether the present slowdown in the growth of the economy will lead to a recession or whether the more modest growth rate can be sustained well into 1985. At the same time, the massive U.S. budget and trade deficits are

should "realise that the market presents an opportunity for handsome long-term gains as prices are now depressed relative to their expected values next year."

Analysts who have reviewed Wall Street in the aftermath of recent presidential elections are not quite so bullish. Share prices, as measured by the Standard and Poor's 500, have fallen in the six months after the past five presidential elections. The worst fall followed President Nixon's landslide victory in 1973 when the S and P 500 fell 11.8 per cent over the next six months.

The last time the market rose was following President Kennedy's election in 1960. Analysts say that the financial markets' poor performance in the immediate months following the election reflects higher interest rates and a slowing of the economy.

However, the more bullish analysis note that, based on historical evidence, November tends to be a good month for U.S. share prices. They say November is the second-best month for buying equities and it has not shown a monthly decline since 1974.

This week has seen the last few companies reporting their third-quarter results and there have been few nasty shocks. Indeed, Eastman Kodak gave the markets a pleasant surprise with third-quarter earnings jumping from \$1.39 to \$2.05. Reflecting its confidence in its profits recovery, the group increased its quarterly dividend by five cents to \$0.30 per share. Tenneco, the diversified

MONDAY	1229.24	+12.59
TUESDAY	1244.75	+14.91
WEDNESDAY	1233.22	-10.93
THURSDAY	1228.69	-4.53

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1984	1984	
	Yday	on week	High	Low	
F.T. Ind. Ord. Index	900.1	-7.5	922.8	755.3	Base rate cuts discontinued
F.T. Gold Mines Index	555.4	+51.2	711.7	485.7	Firm bullish and steadier Rand
Bath & Portland	273	+48	273	145	Bid from C. H. Beazer
Commercial Union	163	-11	231	162	Fund-raising fears
Cookson	425	+23	425	232	Sale of two subsidiaries
Currys	502	+72	502	216	Increased offer from Dixons
Dixons	380	+45	380	215	Increased bid for Currys
Espley Trust	15	-5	97	8	Doubts over Mr Shuck's 35p bid
Hoskins & Horton	259	+19	259	123	Hopes of increased bid
House of Fraser	310	+24	320	220	Lantrio imbroglio continues
ICI	670	-20	692	526	Currency considerations
King & Shaxson	176	+24	176	124	Favourable Press comment
M.K. Electric	328	+28	357	258	Interim results due Nov. 21
Macaulay-Glenlivet	375	+75	400	210	Despite denial of bid talks
Meekatharra Minerals	110	+23	110	22	Speculative buying
Molins	134	+9	142	103	Recovery hopes/bid talk
Petrano	265	+30	325	70	U.S. gas field acquisition
Salsbury (J.)	290	-18	310	227	Disappointing interim results
Tuskar Resources	31	-11	66	26	Celtic Sea well disappointing
Wolseley-Hughes	545	+40	567	440	Bumper results and scrip issue

Living under BT's shadow

THE DEPARTURE of six new companies from the junior market's starting gates has kept the jobbers busy on the week of the USM's fourth birthday, which falls today.

Most of them got off to a lively start in their first dealings, but the shadow of British Telecom's flotation, due at the end of the month, already has sent the USM's new issues market into temporary hibernation.

All the ventures which have joined the lists since Monday heralded their debuts during the previous fortnight and the week has been notable for the absence of future new issue announcements.

The realisation that they cannot compete against BT's massive advertising campaign as it reaches its pre-flotation climax has kept all but the most courageous USM aspirants off-stage until BT lumbers out of the limelight.

Biggood Bishop, the only jobbers to cover all USM shares, expect just one more company to join the USM before the end of the month: Access Satellite, a supplier of movable scaffolding towers.

"It looks pretty slim," says Biggood's David MacNamara. "From our point of view it would be a good thing if people did give it a rest for a bit, though I expect the run-up from BT to Christmas will be pretty busy."

Some USM-watchers argue that the BT issue could help to produce a welcome spin-off for the lower house by spreading the gospel of wider share ownership. Whether first-time investors who have been seduced by BT's stolid virtues will later go on to chance their savings on the mercurial USM is arguable.

Quite apart from the risks

Unlisted Securities Market

involved, private investors face the problem that most companies come to the USM via a share placing, whereby 75 per cent of the equity being released is distributed privately among financial institutions and brokers' private clients. They have to be quick on their feet to pick up the rest.

"Most small investors will have to buy in the market after the issue, which means they will probably have missed the first 15 per cent premium," explains Isabel Unsworth of stockbrokers Grieson Grant.

At any rate the welcome accorded to this week's new issues indicates that existing USM investors' appetite for young companies of the right quality is undiminished.

CVD Incorporated, a U.S. maker of advanced optical materials, kicked off on Monday with a 15p premium over its 105p placing price, rising to 131p later in the week. On the same day, the Alida plastic packaging group managed a 5p premium over its 140p starting price.

Health Care Services, the result of a merger between a USM-quoted private hospital operator and a medical staff agency, returned from its 10-month suspension with a 31p premium over the 28p opening price, sliding back to 27p towards the end of the week.

Klack-Teknik, a maker of sound broadcasting industries, steamed ahead on Tuesday from

its 85p starting level to 100p, gaining a further 2p later.

Generous premiums were in store on Thursday for Gabicci, a designer and importer of casual menswear; and Instem, an electronics group. Gabicci opened 7p above its 78p placing price, and was continuing to run ahead when last sighted, while — has provoked doubts among some observers whether institutional investors, who account for an estimated 60 per cent of the USM's value, will be able to keep up the pace. But Brian Kirkland, assistant director for UK Equities at Prudential Portfolio Managers, the biggest institutional investor in the USM, says he has not run out of steam yet.

PPM has ploughed £6.5m into the market over the past year, twice as much as in the previous 12 months, bringing its USM portfolio to around £25m. "So long as the flow of new issues continues at the same rate, we Instem opened at 160p, 15p ahead of its 144p issue price.

The headlong rush of new issues—there should be nine this month against 13 in October—will maintain that rate of investment," says Kirkland.

William Dawkins

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FINANCE AND THE FAMILY

MINING

When a tenant lives now, pays later

BY OUR LEGAL STAFF

Two years ago I instituted proceedings in the court for possession of a cottage on the grounds that the tenant was more than a year in arrears with the regulated rent. The proceedings were nullified by the tenant paying the arrears into court the day before the hearing, without interest. The tenant has since consistently been behind-hand in paying his rent, often for up to six weeks, thus continuing to deprive me of interest on an amount barely sufficient to cover the costs of repairs. My agent says that this is the worst case of delayed payment among all the tenants he manages, but that, as the law stands, I have no hope of gaining possession through the court because the tenant will merely again pay in the outstanding rent and then continue as before. Has a responsible landlord, living on a pension, really no hope of a satisfactory remedy in such a situation?

We agree that you stand very little chance of getting possession at least so long as the tenant pays up the arrears of rent, however belatedly. If, however, you institute proceedings each time there is an arrear, the tenant will have to pay your costs as well as the arrears of rent and he may become less unpunctual if he is made to realise that you will sue him every time he is in arrear.

Responsibility for trees

I took possession of this house, newly built, 17½ years ago. The owner of the adjoining property soon afterwards planted a row of nine Leylandii trees about 8 ft from the boundary hedge. Three of these have broken off (low down) at varying times between 7½ years and a few months ago, on each occasion

falling into my garden. A fourth tree blew down. The others are now about 10 ft taller than the house, the nearest trees being about 12 ft from my greenhouse and garage and 25 ft from my house. I am on the eastern side of these trees. Would you be good enough to let me know what responsibility the local borough council have in ordering the removal of such an obvious hazard? I have written several times to the present owner of the property without any satisfactory response. He is obviously much wealthier than I am.

You may be able to enlist the assistance of the local authority under Sections 23 and 24 of the Local Government (Miscellaneous Provisions) Act 1976.

Signing the accounts

I am a Trustee of a relative's discretionary settlement and am sent (by the accountants) the trust accounts and tax returns for agreement and signature by myself and my co-trustee in the case of the accounts. At the foot of the balance sheet the accountant puts the "Report of the auditors..." (have had access to the books and accounts of the... settlement and have examined the attached income accounts for the year ended... which is in accordance with the said records. I have verified the investments referred to in the said balance sheet..." The accountant requires the trustees to sign the accounts prior to signing the "Report of the auditors" and sending signed copies to the trustees. This has always seemed to me to be wrong. Surely the accountant or auditor

should be certifying the accounts to the trustees who can then examine the accounts and signify their approval or acceptance by signing a copy? At present it seems that he requires our approval before certifying the accounts. Perhaps he is just splitting his duties as accountant and auditor. If something is wrong I assume the trustees can be liable, although if the accountant has certified the accounts first to the trustees he is showing his liability to them. Perhaps I am only splitting hairs, but I would appreciate your comments.

We think that in strict logic you are correct. There is always however, a chicken-and-egg conundrum in the practical administration of matters like this. The solution would appear to be for the trustees to be prepared to sign draft accounts as drafts, so as to indicate to the accountants that they will sign the final form (if in identical terms) once the accountants have certified them.

Looking after the wife

I have made a will in which I leave all my possessions to my wife. Our house is in joint names, but the larger part is in equalities, all of which are registered in my name only. Will you please tell me how my wife would be able to have them transferred to her ownership in the event of my death. Having obtained probate could she write to the companies and have the certificate re-registered in her name, avoiding all charges, or must it be done by sale and repurchase through a

broker, involving jobbers turn, brokerage and stamp duty? Would there be a liability to CGT as the potential gain would be well in excess of £5,600?

Would there be any advantage or disadvantage if I started now and registered shares in joint names each time I switch an investment? It is not necessary to sell and repurchase through a broker. The Executrix can execute the appropriate transfer, even though she is not an authorised agent. There would be a potential liability to Capital Gains Tax. Joint ownership of the shares would be a little simpler, and of course you could take advantage of the annual exemption of £3,000 to transfer shares into joint names.

Appointment of co-trustee

I have two children by my first wife and three step-children by my second wife. I have no financial commitments to my first wife whom I divorced some 20 years ago. I am the sole owner of a property which is my residence and that of my wife. The property was purchased entirely with my money outright.

I have made a will under which, apart from the bequest to my wife of the furniture, personal chattels and the sum of £5,000, all my estate is placed in trust for the benefit of my wife, to utilise the property and if desired to dispose of it and purchase another for her occupancy, and to receive all the net income from the remainder of the estate and one half of all net capital gains on investments made therefrom.

I have made my wife sole trustee, with absolute power and discretion of investment.

Upon her death the estate is to be divided into three parts, one part to each of my children and a third of a part to each of my step-children. At present the value of my estate, apart from the property and after the bequest to my wife of £5,000, would amount to some £30,000. Please be kind enough to advise me:

(a) If, hearing in mind the award which my wife would be entitled to upon my dying intestate, there are valid grounds for appeal against the provisions of the will.

(b) If there is available any standard clauses or rules which may be inserted in the will governing the trustee's conduct in the administration of the trust and providing safeguards to the interests of the remaindermen in the case of irresponsibility or incapacity due to senility etc.

(a) The provisions in a will are always subject to a possible application for further provision under the Inheritance (Provision for Family and Dependents) Act 1975. If therefore the effect of the will provisions were seriously to impair your widow's living standard, she might make a claim. On the information which you give however, a claim would be unlikely to succeed if the financial position does not change materially before the will comes into effect.

(b) The law already places a duty on trustees which covers the position. Your best safeguard, however, against inept incapacity is to appoint a much younger co-trustee.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Homestake heading west

BY GEORGE MILLING-STANLEY

"GO WEST, young man," was the advice of Harry Conger, chairman of Homestake Mining, when he stopped over in London recently on a round-the-world trip designed to reassure investors that all is well with the group, in spite of the current weakness in the gold price and Homestake's recent U.S.\$400m (£315m) acquisition of an oil and gas company.

The group is well advanced in developing a large new gold mine in California, to augment its original Homestake mine 1,000 miles to the east in the Black Hills of Dakota. The old Homestake mine was reputedly discovered in 1874 by a corporal in General Custer's army during the wars against the Indians, and has produced almost 34m ounces of gold during its 107 years of operation.

Early next year Homestake hopes to complete testing of bulk samples from a small open cut, and to decide whether the upper levels of the mine have the potential for a large open-pit mining operation. Mr Conger guesses that the ground involved could contain as much as three-quarters of a million ounces of gold.

But the key to Homestake remaining the largest gold producer in the U.S. lies in the McLaughlin project in California, rather than in Dakota. Named after a former head of the group, McLaughlin will increase Homestake's domestic gold production to 500,000 oz a year. In spite of tough environmental controls, rapid progress has been made in the four years since the discovery was announced. Homestake took the chance of doing as much as possible of the pre-production work before final permits were received.

Mr Conger, added something like 10 per cent to the initial estimates of the capital cost of the project, and involved Homestake in some intriguing battles over the construction of the dam for the mine's tailings (waste material) with "the California Committee of Dam Safety," as Mr Conger calls it. "We've built some huge dams in our time," he sighs, "but not with those guys in attendance."

All that is behind the group now. Helped politically by the fact that construction work is providing jobs for 1,200 people, while the mine itself will give continuing work to 250 or so people in an area of high unemployment, Homestake says that construction is now 60 per cent complete. The first bar of gold from the richest discovery in California this century is expected to be poured early next year.

The success of the project clearly depends to a large extent on the gold price at least maintaining its present level. Operating costs for McLaughlin are estimated at around US\$800 per ounce of gold produced, a little lower than the original Homestake mine's US\$825, but still uncomfortably close to the present gold price, and well above South African operations of a comparable scale.

High production costs have their advantages at times of rising gold prices, of course, as they increase a mine's gearing. If the dollar price of gold improves, so will the fortunes of Homestake, to the tune of something like US\$3m in profits for every rise of US\$10 in the price.

By far the most controversial move so far in Mr Conger's five years at the top of Homestake was the decision to pay US\$400m in stock for Felmont Oil.

was thought to apply to the uranium market, but Three Mile Island put an end to that. Today, he argues, the logical choice for a mining company is oil, while on uranium Mr Conger says Homestake will simply have to "hunker down" for a few years in the hope that markets will recover.

Homestake has been in the uranium business for more than 30 years. The group's production costs of U.S.\$28 per pound compare unfavourably with the current spot price of around US\$17, but the uranium operations are likely to remain profitable for a couple of years yet on the basis of long-term contracts negotiated several years ago at a price of around \$20 per pound.

What happens when these contracts expire in 1988 and 1987 is open to conjecture, especially as there are still few firm indications of a strengthening in demand.

On the Felmont acquisition, Mr Conger says the company, run by the 75-year-old Mr Hadley Chase, had management which was both good and, in his view, likely to remain loyal to the new owners.

"The normal takeover deal often means firing the directors' pants with money, and then they start leaving, because it is more fun working for themselves than for you."

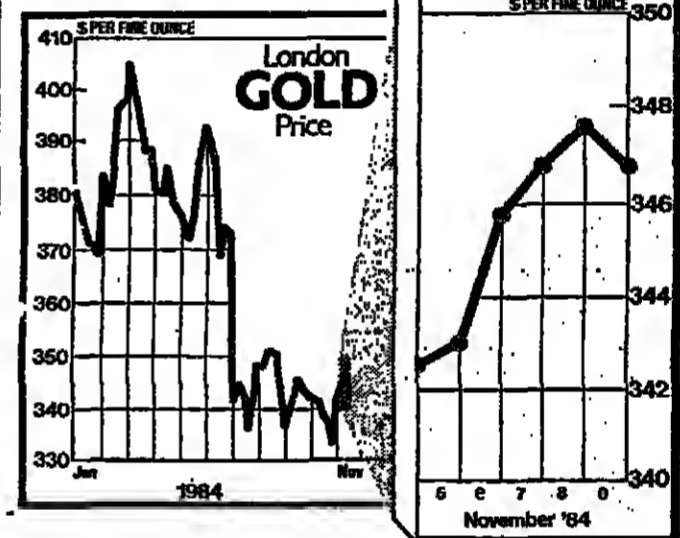
So the order of the day from Homestake to Felmont is very much to go on doing things the way it has been doing in the past. "They are pretty much on the same pattern," says Mr Conger.

Whether Felmont was a good buy at US\$400m is another question. On the plus side, Mr Conger points out that the Homestake shares used in the purchase were riding high on the gold price at the time of the transaction, but the valuation placed on Felmont's assets looks high by comparison with other oil deals done this year on Wall Street.

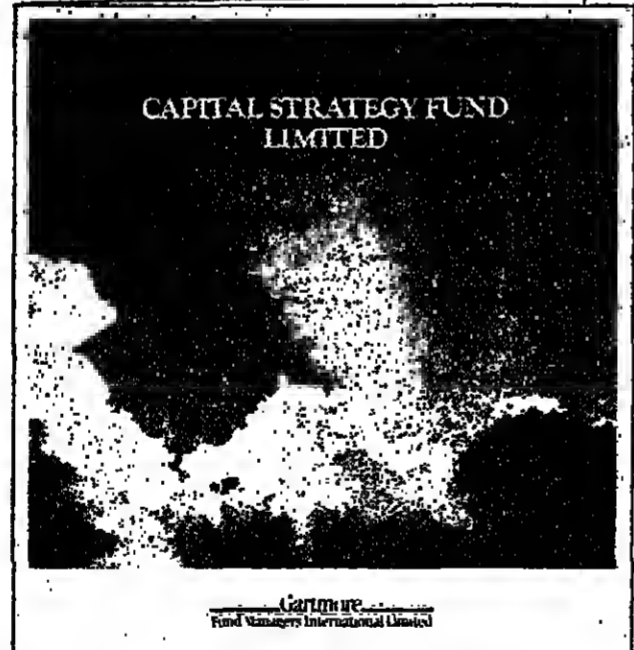
At US\$400m, Homestake paid US\$18 for each barrel of oil-equivalent of Felmont's reserves, although this figure does not take into account the value of an interest in a gold mine which Homestake acquired as a result of the deal.

But with other oil takeovers this year valuing reserves at between US\$6 and US\$8 per barrel, Mr Conger agrees that in those terms the price for Felmont was on the high side. About two-thirds of Felmont's reserves of hydrocarbons are in fact gas, rather than oil, and all are in the U.S.

On the other hand, Felmont has an above-average record among U.S. oil independents in its costs of finding oil and gas and in replacing its reserves. "We would not actually know for five years whether it was a good deal or a bad one," Mr Conger says.



How much does it cost to change your mind?



Since restrictions on investing overseas were lifted in 1979, the way has been open for investors to spread their capital across an international portfolio.

Superior rates of return have been possible by pursuing an active international investment policy. However, a major drawback has been the expense and inconvenience of switching investments as market conditions change and new opportunities emerge.

The cost (and the amount of paperwork involved) can soon become burdensome when dealing charges, stamp duties and capital gains tax are taken into account.

The Capital Strategy Fund offers a completely new alternative to international investment - an approach that dramatically cuts the cost of moving your investments around and yet is very simple to administer.

An international portfolio
Through the Fund, which is listed on The Stock Exchange, you can invest in a wide range of international equity, currency and specialist funds, which together form the basis for a diversified international portfolio.

The Fund allows you to spread your capital across whatever mix of funds suits your investment aims and reflects your view of current economic conditions.

Most importantly, the Fund also allows you to switch your capital between funds free of the following charges:-

- * Stamp duty
- * Dealing charges
- * UK capital gains tax

Gartmore

CAPITAL STRATEGY FUND LIMITED

Please send me the Prospectus for the above Fund.

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Address _____

Gartmore Fund Managers International Ltd., FT 10/11
6 Caledonia Place, St Helier, Jersey, Channel Islands.

What charges are involved?
It has become the practice for fund managers to pay a fixed commission to the adviser when an investment is made, this sum is rebated from the initial charge.

In the case of the Capital Strategy Fund, however, there is no fixed "front-end" commission. This leaves you the investor free to negotiate commission and management charges directly with your adviser.

In another break with tradition, Shares in the Fund are traded at a single price based on net asset value.

The annual management charge made to investors by Gartmore is a fee of 0.75% of the amount invested. (Minimum initial subscription of £20,000 or the equivalent in any freely convertible currency).

Dealing is conducted daily. Applications, conversions and redemptions are speedily and simply administered, with a minimum of paperwork.

The Capital Strategy Fund is managed by Gartmore Fund Managers International Ltd, a member of the Gartmore Group which manages funds in excess of £2.2 billion.

To find out more about the Fund, please consult your adviser. Alternatively, complete the coupon or telephone Neil Millward on 0534-27301 or telex on 4192030 GARTJYG giving the name of your adviser if you have one. We'll send you a Prospectus on the basis of which alone applications can be made.

TSB TRUSTCARD

Reduction of Interest Rate

Trustcard is pleased to announce that its interest rate is to be reduced from 2% to 1.75% per month.

Interest at the new lower rate will appear first on statements dated on or after 15th December 1984. The cash advance service charge remains unaltered at 1½% of the amount taken.

The Annual Percentage Rate of Charge (APR) is reduced to **23.1%** for purchases and, typically, to **23.6%** for cash advances.

Condition 5 of the Trustcard Conditions of Use is amended accordingly. For further information, call at any TSB branch or write to Trustcard, 93/94 Queens Road, Brighton BN1 3XE.

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Appointments

FINANCIAL ANALYST

We are the UK subsidiary of a large South African trading and confirming house, who provide a wide range of financial services to international trade, from our London office. We are seeking a computer-based financial analyst to provide financial analysis and management information using our internal computer system.

The successful applicant will be required firstly to redesign and redevelop the computer system and to integrate it with our operations to enable them to build financial modules upon which to base their financial analysis to provide a sound management information system.

The post requires: a sound academic background (university degree, preferably an MBA) and experience in the designing and use of computer software for the purpose of financial analysis, econometric modelling and management information systems; knowledge of currency movements and international trade generally and with the needs of a financial services-based organisation.

Experience of the South African business environment would be highly advantageous. Preferred age 27-35.

A salary in the region of £15,000 pa will be paid, plus a company car. Four weeks' holiday and family BUPA contributions are included.

Please write, enclosing a full curriculum vitae, to Mr W. Campbell, Trade & Industry Acceptance Corporation (London) Limited, 17 Stamford Street, London SE1, by 16th November. Interviews will be held in the week commencing 19th November.

مركز الاستثمار

YOUR SAVINGS AND INVESTMENTS

PENSIONS

Misleading cases from chronicles of life

ERIC SHORT examines the pitfalls of changing jobs

EMPLOYEES CHANGING jobs are being lured by life companies to invest their accumulated pension assets with them, rather than leave those assets in their previous employer's pension scheme.

This seems normal commercial practice, but pension funds managers now are complaining of unfair competition and claiming employees are being misled deliberately by life companies.

When an employee changes jobs after at least five years' service with his old employer, he has a choice on how he uses his accumulated pension rights. He can leave those rights in the old scheme in the form of a deferred pension based on length of service and salary at the time of leaving. Increases in that deferred pension depend on any provision made in the trust deed and on the generosity of the employer. The proposed Government legislation to revalue deferred pensions by 5 per cent, or the Retail Price Index if less, will apply only to future pension benefits from 1985.

He can take an equivalent lump sum payment, known as a transfer payment, and use the money to buy benefits in his new employer's pension scheme, providing the scheme will accept the payment.

He can take the transfer payment and invest it in a life company pension contract, known as a Section 32 buy-out annuity and named after the section of the 1981 Finance Act which first permitted such investments.

The employee has to decide which is the best choice for him; to do that he needs information and quotations that make comparisons both easy and valid. Under the present life company practice he gets neither, a point highlighted by the actuarial profession in its evidence on

personal pensions published this week.

Consider first the quotation in Table One given by a traditional life company on a with-profits buy-out annuity. It assumes the normal pattern of a with-profits quotation. So what is wrong?

The first misleading feature is that the projected benefits are made on current bonus rates—the usual practice. But current bonus rates are historically high and generally at a level higher than can be earned solely from investing the lump sum. Bonus rates are being boosted by the investment income earned on the vast reserves of the life company.

Prominent actuaries, such as the immediate past-president of the Institute of Actuaries, Stewart Lyon, have in recent months warned against this practice. They have pointed out that should interest rates fall, a cut in bonus rates would be likely.

The quotation in Table One states only in small print that no guarantee of bonuses can be given.

The second misleading feature is that the quotation highlights the total cash sum available at the normal retirement date. It also shows the pension available. When it does not emphasize that the investor may not be able to take the cash *per se*.

On retirement, an employee is allowed to take a tax-free lump sum of up to 1.5 times his final salary. The benefits from the buy-out annuity are added to the benefits from his pension scheme at the time of retirement, and the tax-free lump sum paid out from the combined reserves.

Pension scheme administrators are complaining that employees about to leave are coming with such quotations and stating that "life company X will pay out £115,000 as a lump sum at retirement for my £9,000 transfer payment." But this sum may be well in excess of 1.5 times his final salary, and

Man aged 39 next birthday normal retirement age 60	
Transfer value	£8,973.69
Cash sum at retirement	£86,842
Including compound bonus at current rates	£10,672
Terminal bonus at current rates would increase the cash sum by	£28,192

Man aged 35 next birthday normal retirement age 65	
Amount of transfer	£6,975.09
Projected cash sum at age 65	£21,744
Projected pension secured	£31,604
Compared with a frozen company pension of	£1,881

so not be available as cash.

This leads on to the third misleading feature. The quotations state the benefits of the life without giving any reminders that they are not today's pounds but pounds in 2005. Current bonus rates will be maintained only if interest rates—and, inevitably, inflation rates—remain high. The insurance companies cannot indicate that.

Some indication must be given to the employee as to the likely real value of those benefits after adjustment for inflation. Finally, the pension benefits are quoted on the company's current annuity rates. Annuity rates depend primarily on interest rates and, to a lesser extent, on mortality rates.

The Government Actuary, Mr Edward Johnston, in his latest projections of the National Insurance Fund valuations, has assumed a substantial improvement in mortality of pensioners. But longer-living pensioners must mean smaller annuities.

More seriously, if bonus rates are coming down because interest rates are lower, not only will the cash sum be lower but so will be the annuity rate—a double blow to the pension benefit.

Table Two shows a quotation from a linked life company. It

has projected benefits on just one growth rate, 13 per cent. The common, but by no means universal, practice is to project on two rates, 10 per cent and 12 per cent. But this rate is well below that being earned on this particular company's various pension funds.

Even so, the quotation should give some indication of the effect on the projected benefits of lower interest rates and the consequent lower investment returns.

But the most misleading feature of the second quotation is its comparison with the deferred pensions from the company scheme. This is the most crucial part of the whole exercise.

The life company in the first quotation ducks the comparison completely, leaving it to the employee to get the necessary figures from the trustees of his old scheme and make his own comparisons. The company in the second quotation does make a comparison and gets it all wrong—in favour of itself, naturally.

The life company has taken the bare deferred pension figure and assumed that there will be no further increases. For the majority of pension schemes, this is a correct assumption. But as it happens the pension scheme in question is one that has consistently increased deferred pensions, almost in line with inflation.

Both quotations give a highly misleading emphasis to the maximum pension secured under the buy-out contract, which is a pension fixed in money terms. But the deferred pension when it becomes payable, could well be increased. Indeed, the pension scheme in question revalues pensions in payment in line with inflation.

So, to get a more meaningful comparison to allow for inflation and the practice of the particular pension scheme, the deferred pension due in 20 years' time must be increased by 17.5 times, the multiplication factor which corresponds to three decades of an assumed 10 per cent inflation rate. This takes it to £32,800.

On the other side, the life company pension must be reduced by at least half—the cost of buying an index-linked pension with the equivalent cash value.

The result is that the balance of advantage, which initially looks very much in favour of the buy-out annuity, swings overwhelmingly in favour of having a deferred pension.

To keep the record straight, pension scheme administrators are equally backward at producing information on pension expectations. Their sin is one of omission in that they provide very little information at all.

In addition, those private-sector pension schemes which have revalued pensions and deferred pensions do not guarantee such increases. The employers and the trustees reserve the right to make lower increases, or no increases at all, if conditions are unfavourable, or if conditions of hyper-inflation return.

All this has to be kept in mind by the employee in making his choice, and indicates the need for independent, impartial guidance.

The Government already has taken the first steps to stop misleading practices. Section 73 of the 1982 Insurance Companies Act makes it illegal for insurance companies to provide misleading quotations. But the Government apparently feels there is no problem with quotations, or else it does not know how to monitor quotations, because it has not yet sought to make regulations to implement this section. It needs to rethink its attitude.

TAXATION

Beating Lawson's 'hit list'

IF YOU were caught napping at the last Budget in March because you were too slow in getting stocked up with life assurance policies or lease-back deals, now is the time to make amends for next year.

The tough talking about the need for tax reform and the removal of special reliefs and exemptions from Chancellor Nigel Lawson and his Financial Secretary John Moore, has led to rumours about possible hit-lists. It is even possible that the Chancellor may make an announcement about tax changes in the autumn statement on Monday.

The Treasury is considering reform proposals in the following areas which are of direct concern to small savers and investors: the tax-free lump-sum paid on retirement, contributions to pension funds, the internal taxation of pension funds, several aspects of capital gains tax and the rate of stamp duty.

The tax relief most likely to appear on the Chancellor's hit list is probably the tax-free lump sum on retirement. A paper published yesterday by the Institute for Fiscal Studies, which was commissioned by the National Association of Pension Funds, demonstrates that this is the only pensions-related tax relief that is both anomalous and which could be ended without too many knock-on effects, or other complexities.

If you are beyond the minimum retirement age and have been preparing to leave your job anyway, you might consider speeding up the process—if you are entitled to a lump sum payment from your pension plan. This will ensure you get your hands on the money before the Chancellor does.

The maximum tax-free lump sum allowable is 1½ times final salary which can amount to a hefty sum and a hefty tax bill if it were to be taxed as part of your income for that year at your top marginal rate.

The minimum retirement age allowed by the Inland Revenue is normally 60 for the self-employed of both sexes, 60 for men in occupational pension schemes and 55 for women.

However, for some professions it is less. If you are an air pilot, you can get away with retiring at 55; if you are a wrestler, you can retire with your lump sum intact at the age of 35.

In practice, the Chancellor is unlikely to subject all the lump sum to tax immediately. The IFS paper suggests that it would be fairer and also feasible to phase in the taxation over 10 years. Only after that date would the entire lump sum be subject to tax.

But if some such transitional period is introduced, the earlier you take your lump sum and run, the less your tax bill will be.

If the Chancellor wished to follow the broadest interpretation of the principle of no retrospective taxation—and to create more employment opportunities for actuaries—he could exempt from the new tax rules all the rights to a tax-free lump sum which had already been accrued. So half-way through your working life, you would have about half your rights, and thus only half your lump sum would be taxed.

Such a concession is not likely as it would extend the transitional period to 40 years and it would be difficult to disentangle the different rights of individual pension fund beneficiaries.

But if the principle of no retrospective taxation is more generally followed in the pensions field, you should aim to invest as much as possible in your pension plan before the next Budget. In a self-employed scheme, this is relatively simple. In an occupational scheme, you should be able to make addi-

tional voluntary contributions. The other possible targets for the Chancellor are the tax exemption granted to the pension funds' internal investment returns—and, worst of all, the tax deductibility of pension fund contributions.

But before you start shifting around all your investments to bolster your pension contributions, you should beware of a pitfall. If the Government decides to attack only the pension funds' internal investment returns, and not the deductibility of contributions, you would do better to reduce your contributions—not increase them.

In the field of capital gains tax, the Government, although wishing to remove unjustifiable reliefs, is more likely to move in the direction of greater leniency, at least for private investors. The British Telecom share issue increases this likelihood.

In particular, there may be some extension of the indexation provisions. For example, if you are selling shares or some other asset at a price above your purchase price, you may become exempt from any CGT liability—if your nominal gain was less than the rise in the Retail Price Index over the same period.

In general, if you are holding an asset which is showing a large capital gain and which you are not anxious to sell immediately, it may be worth waiting to crystallise your gain until after the Budget in March or April 1985.

Similar advice applies to house purchase, other real estate or a long line of shares. If your need is not urgent, consider waiting until after the Budget as a cut in the rate of stamp duty from 1 to ½ per cent is under review.

Clive Wolman

STOCK MARKETS

Sometimes it pays to think small

DOING THE unfashionable might seem like trend-setting to some, merely perverse to others. Jeremy Utton is doing it with a new service providing in-depth research on small companies outside the stock market's glamour sectors.

If you use one of the big broking firms, you'll probably find that it provides analysis mainly of big companies or go-go industries such as high technology and energy. Information about smaller, more traditionally-based companies is hard to find and often does not go much beyond the basic data available on an Extel card.

Utton, a 31-year-old former stockbroker who runs Metropolitan General Investment Company from Birmingham, believes that the problem will be accentuated by changes now under way in the City of London's structure.

Two estate estate again run Big brokers are being swallowed into larger conglomerates and will be taking on a market-making role at the same time as competing more intensely because their commission will no longer be fixed, but negotiable. They will focus even more on the 150 to 200 largest stocks, says Utton—echoing a view expressed commonly in the City.

He adds: "If the smaller firms of brokers are to survive, they have to start being interested on a specialist basis in the sort of companies we are covering." Regional brokers, he says, can find a niche making markets in 40 or 50 small local



companies in which they have specialist knowledge.

At least part of that knowledge, Utton hopes, will be provided by Metropolitan's Smaller Companies Investment Research Service. It is aimed at investment managers and stockbrokers—especially regional firms—and concentrates on companies with a market capitalisation of less than £25m.

To qualify for investigation by Metropolitan, a company must be outside well-researched and fashionable sectors, its shares must have a sufficiently liquid market and, in most cases, it will be viewed by Metropolitan as potentially undervalued.

In addition to its new service, Metropolitan does corporate investigation work preparing for acquisitions or raising of funds, as well as management consultancy. Utton recently had more direct experience of management when brought in to turn round—unsuccessfully, as it proved—a troubled private company. He has one partner in Metropolitan, administration director Sally Tinson.

Subscribers get more than just share tips. Twenty times a year, they will receive a thick report on a company covering

its history, the state of its industrial sector, its individual activities, its prospects and investment rating. The reports even include photographs.

Also included in the £840 annual subscription is a follow-up service on the companies already covered—possibly including advice that, in Metropolitan's opinion, the shares have become overvalued and should be sold.

Utton looks for companies where management is bringing sparkle to a well-established base, and where the potential he sees has so far gone unrecognised by the market.

The first two companies chosen are examples: Cowan, De Groot, makers of toys and gifts and wholesalers of electrical goods and hardware; and Turf Corporation, a construction and contracting group. Toy-makers and builders have not produced too many stock market stars of late.

The Turf report was circulated free to 120 potential subscribers. Whether they spotted a bargain buy as a result cannot be known, but the share price has since risen from 235p to 265p.

Utton has found selling the service an uphill task. The private client departments of large broking firms generally are expected to use research generated from within their own companies. There is also, he says, the problem of persuading fund managers to pay for research when they are used to getting it free from their brokers.

Metropolitan has not yet reached the minimum level of 20 needed to make the service go. Perhaps potential clients are holding back in an attempt to become the 50th subscriber. He will win, in a most un-City-like gesture, a Jaguar XJ-S.

Metropolitan General Investment Co., Temple House, 43/48 New Street, Birmingham B2 4LJ. Tel: 021-454 5455.

Alexander Nicoll

Who's No.1 in the USA now?



Given the clear trend shown by the recent opinion polls it was not too difficult to predict the winner of the U.S. Presidential election. It's rather harder to find the winners when you are investing.

The best plan is to trust to experts whose judgement of the U.S. investment scene is proven, like The Royal London Unit Trust Managers Limited.

When we launched The Royal London American Growth Trust just over a year ago we promised a policy of active investment management.

This approach has proved so successful that the trust has

out-performed all others in the U.S. sector over the 12 months to 1st November, 1984. (Planned Savings statistics, November 1984.)

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Units can be bought or sold on any business day at the price then ruling, by writing to or telephoning the Managers at Royal London House, Middleborough, Colchester, Essex CO1 1RA, Telephone Colchester 0206 574115 (during office hours) and Colchester 0206 574116 (outside office hours). If units are being purchased, securities will be forwarded weekly six weeks. If units are being sold, payment will normally be made within a few days of receipt of the remittance advice.

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An initial charge of 3.75% (equivalent to 5% of net asset value) is included in the offer price. A recurring annual management charge of 1.25% (plus VAT) will be made on the net asset value of the units. The Trust Deed contains provision to increase this charge to a maximum of 2.75% (plus VAT) after three months' notice. The Managers may make reasonable adjustments to bid and offer prices of up to 1% of net asset value. Information is available on request. Trustees and Trust Deed

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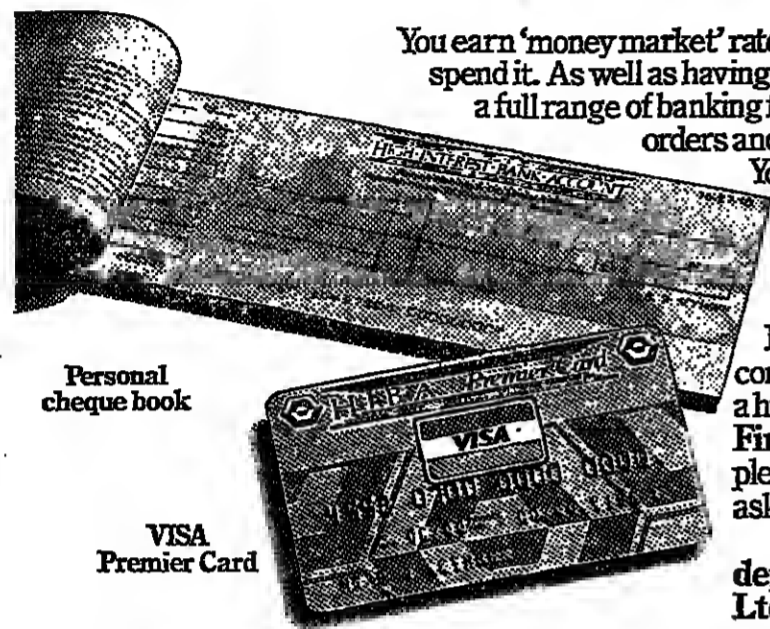
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YOUR SAVINGS AND INVESTMENTS

Can we trust our teenagers?

From piggy banks to calculators . . . DINA THOMSON looks at a whole new world of money and the young

TEACHING your children the value of money is one of those tasks designed to make a parent despair. When they have outgrown piggy banks and occasional handouts for mowing the lawn, you should consider a longer-term approach to managing funds.

The clearing banks are engaged in a campaign to claim the hearts and the pennies of an age group spanning tiny tots to teenagers.

From ceramic pigs to calculators, the major clearing banks have concentrated on giveaways to lure young people, and some building societies also have joined the fray.

A teenager may be sophisticated enough to ignore free gifts altogether and take a hard look at what is being offered in the field of financial services.

Perhaps for this reason, neither the major clearing banks nor the building societies offer any savings schemes designed specifically for teenagers in the 16-18 age group.

The building societies admit they are leaving the late-teenage sector alone. According to the Woolwich marketing becomes a major problem once it is aimed at children over 14.

The 18-year-old at university can take advantage of student saver schemes offered by the clearing banks, in return for a grant cheque. School-leavers under 18 are likely to find, however, that they have to work hard to impress bank managers with their sense of financial responsibility.

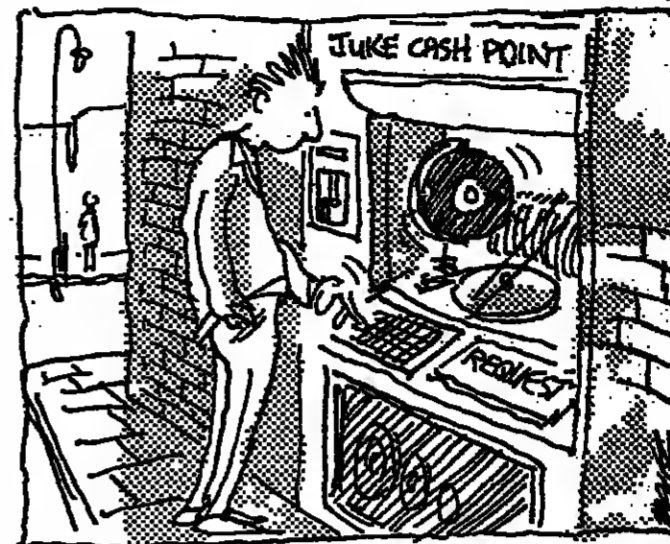
Anyone who can sign their own name can open a bank account and receive a cheque book; but those under 18 are not legally responsible for their debts and, as a result, banks consider cheque cards with great caution.

The issue of cards usually is left to bank manager's discretion, although Barclays says it offers school-leavers starting work an immediate card for £50 on receipt of first salary cheque.

The other major clearing banks say they very rarely issue cards to under-18s; but as one marketing manager put it: "it depends who their parents are, where they (the parents) work and how they appear to us."

In some cases, cards are issued to those under 18 if a parent gives a formal guarantee accepting liability for any abuses. Informal guarantees, if the parent is a good customer of the bank, may also suffice.

Loans also are out of reach of the under-18s unless they are



negotiated through a parental guarantee.

Joint accounts, with both parent and child signing cheques, are one answer to more flexibility in banking for teenagers. But they have the obvious drawback of close supervision as far as the teenager is concerned.

Lloyds and Barclays offer school-leavers starting work an incentive to open an account—free banking for the remainder of the year in which they leave school, and for the following year if the account is kept in credit.

Midland goes one better by offering three years' free banking from the date the current account is opened, as long as the school-leaver stays in credit. By contrast, National Westminster offers no special facilities for school-leavers.

Those 16-18-year-olds in a position to be more concerned about watching their money grow than worrying about staying in credit should consider deposit accounts or National Savings investment accounts.

But parents who would like to invest money on behalf of their children should consider setting up a trust fund.

A trust fund can allow you, as a parent, to give your child money without necessarily handing over total control. It can be tailored to meet your needs and the needs of your child as he/she grows older.

To set up a trust fund, it is

advisable—though not necessary under the law—to see your solicitor. Although you can set it up yourself, complications can arise, particularly if you change your mind on some aspect.

Discretionary trusts are used traditionally to provide flexibility. For gifts to young people, City accountants Spicer & Pegler recommend accumulation and maintenance (A and M) trusts, which are both tax-efficient and allow the parent to keep tabs on the capital till the child reaches 25.

A and M trusts have the advantage of being specially favoured as free of Capital Transfer Tax (CTT). The parent making the settlement might have to pay CTT initially, depending on the size of the trust and his past history of gifts.

But the money is then not subject to the charges most other discretionary trusts suffer every 10 years. The settlement remains exempt from CTT until the child reaches 25, with the tax payable on it only if the child dies after having reached 25.

This trust demands an irrevocable decision by the parent to give the child an automatic right to the income, not later than the age of 25. Until then, the parent can determine how much of the income from the trust goes to the child.

The decision to hand over income to the child after age 25

is "irrevocable" for tax purposes. If the parent retained an interest all the income from the settlement would be treated as the parent's income.

The person who sets up the trust can either re-invest the income from its assets or use the money—for school fees, for example. If you can afford to re-invest the income and the child is under 18, you can reap a tax benefit.

On accumulated (re-invested) income accrued before a child reaches 18, the parent pays 30 per cent basic rate plus 15 per cent additional rate in tax. If you are a 50 or 60 per cent-rate taxpayer, you gain a clear advantage.

A and M trusts allow you to stipulate that the child receive income (or capital) at 18 or 21 rather than 25. A child receiving income at 18 would, as a taxpayer in his own right, be allowed the personal allowance of £2,005 and be taxed at the basic 30 per cent rate on the first £15,400.

If it is the parent who makes the settlement on the child, it is the parent's income for tax purposes until it passes to the child as stipulated by the trust.

If the grandparents make the gift, income from the settlement will be taxed at the child's tax-rate.

Settlements by grandparents are thus likely to result in lower income tax liabilities as well as the avoidance of CTT by one generation—the parents.

After your child has reached 25, you would have to move over to a trust other than the A and M as you have to give the child "interest-in-possession"—an automatic right to the income, but not necessarily the capital from the trust.

Moving from a non-interest-in-possession trust to one that no longer keeps the 25-year-old subject to the discretion of the trustees for access to income and/or capital is something that normally incurs a CTT charge.

If, however, you are moving from an A and M trust rather than an ordinary discretionary trust, you avoid that charge.

When you set up an A and M trust, you have to choose a set period for the accumulation of income. This is most commonly either 21 years, or the lifetime of the person setting up the trust.

Your choice obviously will depend on your age as a parent and the age of the child. The capital in the trust can be left tied up and out of reach of the child indefinitely.

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YOUR SAVINGS AND INVESTMENTS

Once upon a wage packet



INVESTING ON the Stock Exchange has been more than a hobby for Harry Ryde, a Ministry of Defence technician from North Yorkshire. In the past four years it has been the lifeblood that kept him afloat through a series of personal tragedies.



Harry Ryde at his Wensleydale home

Ryde's wife died one month after they moved to his present home in Wensleydale. He himself was injured in a car crash and, soon afterwards, broke his arms in an accident at work. Then, his mother died in a crowning blow, his two grandchildren burnt to death last year.

"This particular hobby has kept me sane," he says. Ryde started investing in 1958 with little of the apparatus usually thought necessary. He had only a Post Office savings account, and when he applied for new share issues he would ask neighbouring farmers to write cheques for him.

His first investment was in Dubliner Condenser, in which he bought a 595 9s 6d stake in June 1958. He made £2 6s 5d net when he sold the shares.

"Too many people think they can't do it, it's too complicated," Ryde said. "But it's different from collecting stamps or any other hobby."

Far too much money is invested in houses, Ryde feels, and not enough in industry. For all the talk of share-owning democracy, governments since the war have done little to help widen share-ownership.

"You have got to give the small man the same treatment you're giving the medium-sized investor with the Business Expansion Scheme," he said. "I'd like to ask Mrs Thatcher and the Chancellor: how is it that from 25 years ago, when I started investing in shares, we now have fewer than half the private investors we had then?"

"People buying shares in their own company is a good start."

Ryde does a good deal of research on the companies in which he invests, clipping tens of thousands of articles from newspapers. His wife used to help him in the task. In the past he used also to visit many companies.

Ryde also receives some help from his stockbroker and says: "Of all the brokers I've had, I've had the most encouragement as a small investor from Wise, Speke," the firm he now uses.

After all the research, you still have to build up the confidence to make a decision. "You can read as much as you like, but in the end it comes down to you," Ryde said. "I find researching a company, you have got to have the right feel about it. Then, maybe, maybe you're right investing in it."

But Ryde admits he doesn't always follow his instinct, and sometimes wishes he had. He had a strong feeling that he should sell Burnet & Hallamshire when he read last September that George Heishy was resigning as its chairman and chief executive. He did not — and has watched the shares fall by more than half to 145s.

Ryde has applied for a good many new share issues, including Associated British Ports, Enterprise Oil and British in recent years. He is likely to apply for British Telecom shares and, because he does not have a telephone himself, will go for the bonus shares

money on some of his investments: "I have losses almost every year... You cannot invest as I do and not have losses. But I'm still surviving, which shows I have more winners than I have losers."

The winners will play a large part in assuring the future for Ryde, who is now 53 years old. "I have no great pension possibilities because I have changed my job too much," he said. "I run my own pension fund."

Among his present holdings he particularly likes United Scientific, which he has held since it was a small trading company. "The basics are there, yet it's a low p/e. There are stocks coming onto the market with twice the p/e and nothing like the background."

But he has watched the price of his 4,400 shares in the company slip back from a high of 494p in 1982 to its present level close to 200p.

Ryde now is beginning to return to the investigative ways that once led him to drive around the country looking at the companies into which he had put money. "I am just really coming back to being more active and aggressive in my approach to it, probing more."

And he is grateful to the hobby that has enabled him to carry on taking his mind off his grief. "I wouldn't say fishing would do the same thing, would you?"

George Graham

Ryde is resigned to losing

No such thing as a free lunch



MALCOLM GAMMIE starts a new series

AS YOU lounge, at your employer's expense, in another drink and peruse the menu for Christmas lunch, spare a thought for the hard-pressed tax man. At some stage he may have to decide whether the cost of those seasonal festivities should be taxed as a perk. He has now been given the price of £30.35 per head per annum for staff entertainment which is tax free.

The flurry over Christmas lunches is nevertheless symptomatic of the problem of taxing employee benefits.

The world and its workers are, so far as benefits are concerned, divided into two classes: the "higher paid" and the rest. A higher-paid employee is, with a few exceptions, any director (whatever his salary) and any employee who is paid more than £8,500 a year.

This figure, at present rates of exchange, is around the official poverty line in the U.S., but it is there for administrative reasons and no longer carries any implication as to the relative prosperity of the recipient. It has, in fact, remained unchanged since 1970.

You should not, however, be misled into thinking that £8,500 is based merely on salary. To basic salary must be added the taxable value of all benefits and any expenses paid to the employer, even though they are legitimate, non-taxable business expenses.

Every employee is taxable on the benefits he receives from his employment; that is and always has been the position. The crucial question is, what is the taxable value of the benefit?

As a starting point, an employee is taxed on the amount in money for which the benefit can be realised. If your employer gives you a new suit, the taxable value is what you could sell it for — 112s 1s, its second-hand value. There is, however, no second-hand value in a free lunch.

But if the employee orders the lunch and is then reimbursed, the taxable value is the amount of the bill. Similarly, if there is an option — £25 or a lunch — the taxable value becomes £25 even though the employee takes up the offer of lunch.

What this basic rule does not do is the easy to the employer of providing lunch for any other benefit, or the saving to the employee by having it provided.

In two cases, however, the position has been altered for all employees: first, where an employee is given a voucher, other than a luncheon voucher not exceeding 15p per working day, that can be exchanged for money, goods or services; and, second, where the employee is provided with a "credit token."

In both cases, the cost to the employer of providing the benefit through these means is the taxable value.

A credit token encompasses far more than merely a credit card. It would include a token to put in a vending machine, or an identity card shown at a restaurant to identify the holder and thus entitle him to his meal. If you can steer your way through these rules, then there is such a thing as a tax-free lunch for the lower-paid employee.

For the higher-paid employee, however, there is little escape from both Scylla and Charvdis. If under the general rules, he would be taxable on a value less than the cost to the employer of the benefit provided, cost becomes the taxable value. "Cost" means any expense attributable to providing the benefit, apportioning as necessary any expense relating to two or more things.

There are a number of special valuation rules for benefits such as accommodation, low-interest loans, company cars and the loan of an asset. But in no case does the saving to the employee. Nor does it include any profit foregone by the employer.

So, for example, the provision by a manufacturer of his own goods priced at their marginal cost is not usually a taxable benefit.

Having calculated the cost, it is reduced by any contribution towards it by the employee and any proper business expense. Such deductions are, however,

limited to expenses "wholly, exclusively and necessarily incurred" in the performance of the employee's duties.

The upshot of all this is that for the higher-paid employee, the cost of his Christmas lunch is strictly taxable unless you provide the lunch through canteen facilities generally available to staff. Outside the canteen, tax will not be sought (by concession) so long as the function is open to staff generally and the cost does not exceed what the Inland Revenue regards as modest.

There was a time when it would never have entered anyone's head to consider the tax position of a Christmas lunch. The recent pronouncement makes clear that any higher-paid staff entertainment which exceeds the "modest" annual limit, must be reported — and taxed.

Benefit rules for the higher-paid were first introduced in 1948 for directors and for those earnings more than £2,000 a year. For so small a category of person, all-embracing rules may have been appropriate. Applied to the majority of employees, they are not.

Few would deny that what you give an employee — in cash or kind — to do the job should be taxed. But Christmas lunches and the like have more to do with good staff relations and the successful conduct of the business than with pay for the job. (Malcolm Gammie is Director of National Tax Services at Thomson McLintock/RMG.)

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PROPERTY

Lay down the law when buying abroad

BY JUNE FIELD

SHOULD I use a lawyer, what are the maintenance charges, what will it cost me to resell, how easy is it to get the money repatriated? These were among the questions asked at an overseas property seminar in London the other week.

They all showed how little some people knew of the complications of buying a home away from the home. "The same care, caution and consideration which have to go into buying property in this country should be used when contemplating something overseas," solicitor Michael Simmons said.

Do not be swept into leaving non-returnable deposits, or signing anything before taking legal advice, he said. That resales in Spain could cost anything up to 10 per cent commission shattered one questioner, while another was reassured by being informed that money sent out in the correct way through a bank and registered with the appropriate documentation, could normally be brought back home with a small profit.

Each country naturally has its own regulations," said Jennie Pinder, who runs Euro Property Advisers in association with London estate agents Winkworth and Co, selling property

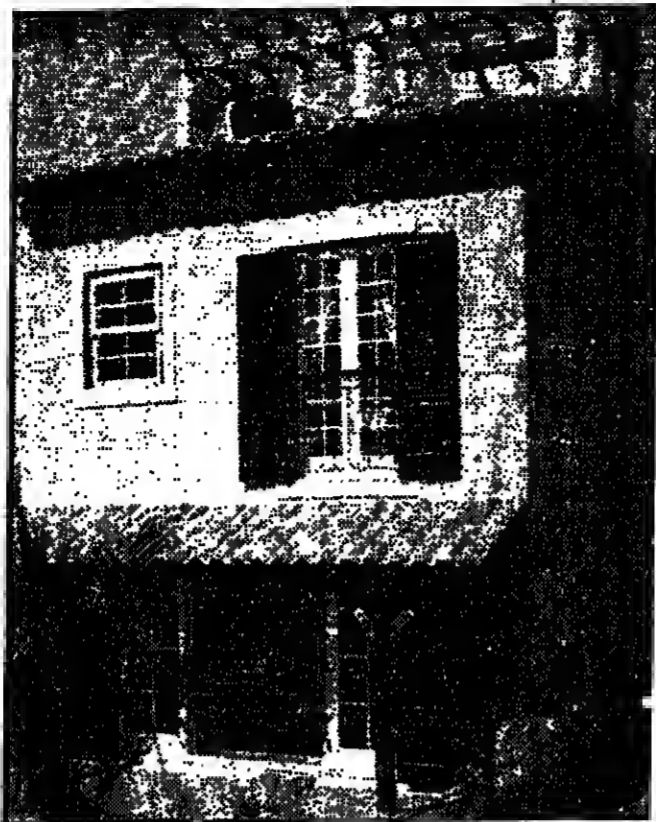
in Spain, Portugal and France, which organised the seminar.

Euro Property Advisers latest offering is Jardines del Puerto, designed by Javier Banus on Spain's Costa del Sol, just behind the successful port created 15 years ago by his uncle, José Bonus. Jennie Pinder has already identified the market for the £40,000 to £79,000 air-conditioned apartments with full leisure facilities that I saw building recently.

"Those buying are busy executives of 35-45 years, mainly with teenage children, who do not want to spend time travelling when they get to their holiday home. They like the idea of having somewhere on the spot to swim, work out in the gym, play tennis and squash, and when they want restaurants and entertainment, everything is there on the spot."

As buying is off-plan (although there is a smart show flat), the developer, Jelsa, is offering an insurance policy through a Madrid company to safeguard payments during construction. Details Euro Property Advisers, 28a New Street, Salisbury, Wiltshire (0722 330847), who will also send a Guide To Choosing Property Abroad.

For legal expertise on Portugal, Hedlera, solicitors at 15 St Helen's Place, London, EC2 has as the head of its Portuguese department Rosemary Neville-Smith, Anglo-



The Old Village, Vilamouros, on Portugal's Algarve. Details 01-581 0289

Portuguese lawyer who qualified in both countries.

She has compiled a brief tip-sheet for buying new overseas properties. For example, it is important to make sure that all the infrastructure (sewerage, roads, even car parking) has been done to the satisfaction of the local authority. The firm's fees for handling residential property transactions in Lisbon, Oporto or the Algarve, are 21 per cent on the purchase price.

A new complex on Portugal's Algarve, about 12 miles from the international airport at Faro, is The Old Village on eight acres in the established 4,000-acre resort estate of Vilamoura.

Present prices for one-bedroom apartments are around £25,000, and up to £75,000 for four-bedroom town houses, all of which will be grouped around pleasant courtyards and traditional narrow streets. London architect Igal Yawetz based the attractive designs on 18th-century Lisbon houses, to maintain a native, as well as a village, ambience.

The Old Village is under the control of Count Hugh de Meyer, chairman of Montpellier International, 17, Montpellier Street, London, SW1. The cautious Swiss will not

buy off-plan if they can avoid it, so most of the property on offer in a limited number of resorts in Switzerland is in well-landscaped terrain enhanced by the natural beauty of the mountains and pine trees. I visited Vilars, a thriving alpine village half-way between lake and glacier, about one and a quarter hours' drive from Geneva; here distinctive apartments in Domaine de la Residence, a cluster of chalet-type buildings, have been bought mainly by industrialists. Greek ship-

Developed by the Fernandez family, who live locally and are well known for their high-quality building, the apartments, complete with ski store and nuclear shelter (required by law) in the basement, now sell from around £130,000. The agent is Felicity Hoare, Robert Fraser International, 29, Albemarle Street, London, W1, who makes the point that it must be remembered that buying in Switzerland should be considered a long-term investment.

"There are restrictions on foreigners selling before five years, and then it has to be a Swiss unless there are special circumstances."

CHESS

LEONARD BARDEN

OXFORD PUBLISHERS have served chess well by their publication of translated editions of two books by world champion Alekhine who died in 1946.

On the Road to the World Championship 1923-37 (Pergamon £7.95 paperback) is a version of the classic "Auf dem Wege zur Weltmeisterschaft 1923-37" about Alekhine's tournaments, matches and exhibitions while preparing for his title series against Capablanca; while 107 Great Chess Battles edited by E. G. Winter (OUP, £5.50 paperback) was written in the last two years of the champion's life and reviews games in wartime Germany and Poland or during his final exile in Spain and Portugal.

The almost harshly self-critical tone of On the Road reveals the dedicated intensity which Alekhine brought to his challenge to Capablanca. He used occasional games, matches against weaker opponents, and even simultaneous play to sharpen his style and iron out weaknesses.

A somewhat frustrating aspect of 107 Great Chess Battles, which has much instructive material arranged under openings, is Alekhine's

casual references to matters which other writers view quite differently. Thus he writes (in 1946) about potential title challengers and lists Botvinnik (who became champion after Alekhine's death) and Rebovsky as the leading contenders.

What of Keres and Fine, co-winners of the 1938 Avro tournament which many regarded virtually as a candidate's eliminator? Alekhine says that Keres, after poor results in their individual games, declared in 1943 that he had no intention of challenging for a match, and that Fine, in 1940, made "an analogous declaration."

One of Alekhine's best wartime wins: White: A. Alekhine. Black: K. Junge.

Ruy Lopez (Cracow 1942). 1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-N5, P-QB3; 4 B-R4, N-B3; 5 Q-O, B-K2; 6 Q-K2, P-QN4; 7 B-N3, Q-O; 8 P-B3, P-Q4; 9 P-Q3, P-B3.

At the time, players failed to realise this exchange allows White strong attacking chances on the open Q-file and from his bishop directed towards the black king. Later, Geller (v Keres) found the more flexible 9...R-K1.

10 P-P4, B-KN5; 11 P-KR3, B-R4; 12 B-N5, N-K1; 13 B-B, B-XV.

13...NxB; 14 P-N4 also gives a good attack.

14 QxB, NxB; 15 B-Q1, N-Q3; 16 N-Q2, P-QB3. Alekhine recommends 16...K-R1 to meet 17 N-B1 by P-KB4. 17 N-B1, Q-B2; 18 P-QR4.

As Alekhine says, opening the QR file in the Ruy Lopez nearly always favours White.

18...QR-Q1; 19 N-N3, N(K2)-B1; 20 P-P; 21 N-B5, N-N3; 22 Q-K3; N-XV.

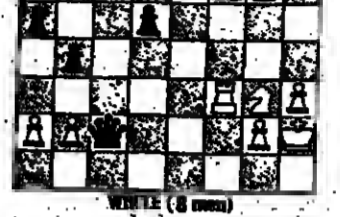
If 22...N (N3)-B5; 23 B-XN, PxB; 24 Q-B5 with strong pressure. 23 B-XN, P-B4; 24 P-B6; P-P; 25 Q-B6, P-B4; 26 B-X ch.

A typical Alekhine finish, following logically from his earlier preparations.

26...QxB; 27 R-R, N-R5 (R-R); 28 Q-N5 ch; 29 P-QN3! Resigns. For 14 N-P; 29 R(1)-R8.

POSITION No. 541

BLACK (10 Men)



WHITE (8 Men)

WHITE (8 men) Ex-World champion Tal (White, to play) sacrificed two pawns to reach this position in the USSR blitz championship (five minutes per player per game). Tal's next turn forced mate and Black resigned just four moves after the diagram. How did the game end?

PROBLEM No. 541

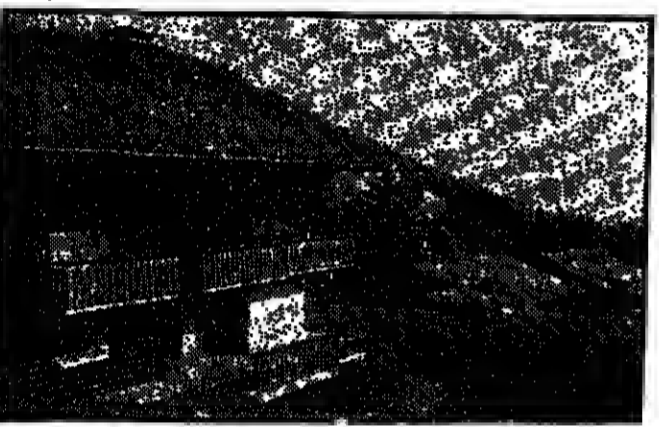
BLACK (4 men)



WHITE (8 men)

White mates in three moves, against any defence (by J. Ohermann, 1874). A century old, this puzzle impresses with its obscure solution even though Black's defences are limited to a king and a pawn move.

Solutions Page 14



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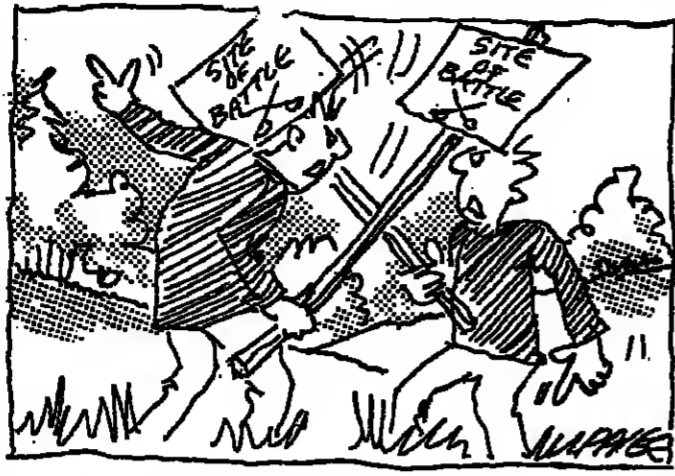
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TRAVEL

Arthur Sandles looks at old battlefields and admits to a defeat

Remembering rebels with a cause

MILITARY HISTORIANS doubtless have endless explanations for why battle settings so often are of such a scenically splendid nature. Often, of course, what we might call scenic have been seen by generals through the ages as safe.



Some high ground to set up defences, a stretch of water to limit the avenues of attack, a narrow gully or two to aid ambush, the odd copse to hide the cavalry... such is the stuff of which both battlefields and postcards are made.

The setting often is enough to conjure up the scene. Eater the valley of Gloucester and you can feel the moody threat of advancing soldiers; stand at Valley Forge on a windy day and the cruel chill of the American Civil War finds its way easily into your bones; pause at Masada and you can almost watch the Roman forces moving remorselessly towards an appalling climax.

Some of Britain's earlier battle sites are disguised irritatingly by the fog—mist is too thin a word—of time or the clutter of later buildings. Boscobel and the East Anglian Icknield almost kicked the Romans out of the country (not that it existed as such at the time) but, apart from the evidence of hasty departure from Colchester and London, there is little more left to evoke memory.

We are served a little better by Alfred's remarkable defeat of the Danes at Edington, now generally accepted to have been a site not far from Westbury in Wiltshire, here you can stand atop a ridge and look down a funnel of downland to the spot where, in the summer of 878, Alfred's Wessex forces inflicted a crushing defeat on Guthrum and thus, it could be argued, rescued today's inhabitants from the fate of speaking a Scandinavian dialect and living on a diet of pickled herring and smorgasbord.

burnt the cakes). More memorably, perhaps, it was also here that the Monmouth rebellion foundered in such a gruesome style after a tale of incompetence and over-optimism.

Today, you still can buy the wicker baskets made from willow cane grown on that swampland (and vastly tougher stuff it is than the Far Eastern variety sold in "ethnic" shops), and you still can taste something of the mood of local uprightness about things that emanate from London.

A lot of hard work is being done to make the most of next

This weekend, much of the Western world will pause in remembrance of those who gave their lives for their nations. War and warfare have proved an unfortunately inescapable element of the development of mankind. Its morality may be debatable but its fascination is obvious and its anguish unarguable. Today, we look at the residual evidence of wars and battles past. Many of the scenes of greatest bloodshed are now tourist attractions, the horror perhaps diminished by time. Many of the instruments of war are now museum pieces. All, however, help us to lift the curtain just a little on our past.

year's anniversary of the 1655 rebellion and battle. It started, you may recall, with the death of Charles II and the succession of James II. This did not go down well with West Country Protestants and the Duke of Monmouth landed at Lyme Regis to be declared King of Taunton.

Monmouth was defeated on a battlefield that is spectacular in its fitness. It was the last major conflict on English soil, although the battle itself holds less of a place in history than the bloody battles that followed. Today's continuing conflict

diorama of the Hastings conflict as well as the reproduction of the Bayeux Tapestry at Langton House.

Berwick, with its memories of Bruce and Bannockburn, is almost a living military museum in itself. The 18th-century barracks are a little more modern than the 12th-century fortifications but are thought still to be the oldest barracks in the nation. Bannockburn itself is marked not only with a statue of Bruce but also an explanation of events in sound and vision.

Those who enjoy a more energetic pursuit of things military and historic might like to follow the trail of Charles II (he of King's Oak fame) as he made his way from the hands of the Roundheads to the security of Europe. The Heart of England Tourist Board in Worcester will provide a map of the route and send you on your way to explore and view.

The oak tree at Boscobel has long since gone to the great forest in the sky, but its descendants are there to be seen at Boscobel House in Shropshire. The nearby White Ladies Priory preserves more evidence of the Civil War conflict in that it was largely destroyed in the fighting.

Worcester itself is a fertile hunting ground for warrior research. The commandery at Sidbury is a huge timber building which was the Royalist headquarters for the battle in 1651, and a fair quantity of war material is on display.

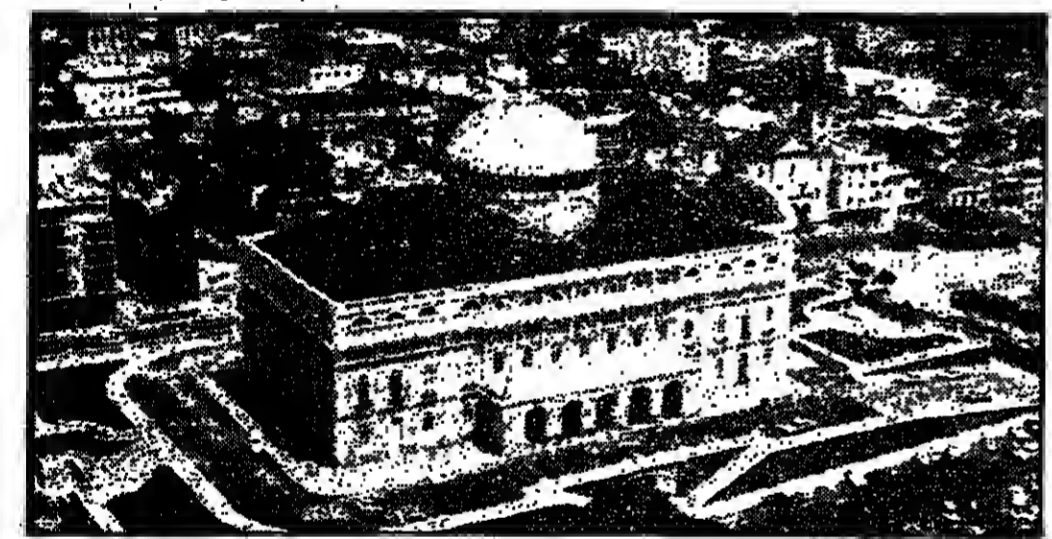
There remains one battle site at which I must confess to defeat. While standing in the Yalta Room, in which the leaders of the Allies decided the fate of the world after 1945, I asked if it might be possible to venture into that part of the Crimea that is burned upon every British heart—the valley of the Charge of the Light Brigade. "Niet," came the response.

It was a reply not without an underpinning of surprise that a British visitor should wish to see the site of such a crushing defeat. It was impossible to explain the romance of such heroic incompetence.

We like Nelson, of course, but we love the Roundheads, Bodicea and Harold. No wonder we have almost forgotten Aethelstan who some would argue, was the greatest King the English have ever known. These were the winners. To lose with style is the essence of a truly British military romance.

held a good crop of sloes. Taunton's Castle Museum has a small special display recalling the battle and is itself the site of the Jeffrey Assize. The museum is well laid out but the main hall is a tragedy of modernisation for anyone wanting to catch the mood of a bygone age. But at least Taunton is beginning to show signs of a pride in its past.

That pride is a growing phenomenon in Britain and more localities are drawing on their battle-filled past for local museums and exhibits. The town of Battle itself has its



The opera house in Manaus

By the waters of Amazon

Just below Manaus, the fast moving main waters of the Amazon link up with a huge languid tributary, the Rio Negro, like two immense strands of cloth. The ochre coloured Amazon and the inky grey Negro jostle and eddy before finally merging 15 miles away in a rich mud brown. The Brazilians call this phenomenon the "marriage of the rivers" and it is one of nature's great spectacles.

Our small river craft was stopped to listen to what the guide poetically described as the waters "singing their truth." (It sounded more like a face being slapped as the waters met in whirlpools). Suddenly first one dolphin, then two more jumped in front of the prow, their bodies arching to display their distinctive pinkish underbellies.

They nudge the boat, little wider than a canoe, and it tips crazily to one side, caught in a whirlpool. Then the dolphins are off playing between the intersection of the current, leaving a few bemused tourists to realise that in travel the unexpected is often the most rewarding.

Amazon dolphins are one of 2,300 different species in this mighty river. Their existence is taken as evidence that there was once a Mediterranean-like sea separating this part of the continent.

never have evolved the way it did. Towards the end of the 19th century the discovery of the vulcanisation process by Firestone, the development of rubber in insulation and the use of rubber in rain-proofing like the raincoats discovered by Macintosh led to an insatiable demand for rubber.

Brazil's Amazon rain forests were the principal known natural supply and now there were steam vessels which could move quickly between Manaus, the U.S. and Europe. By the 1890s Manaus was the world's most impressive one product boom town where newly rich rubber speculators lit their cigars with bank notes. (or so they say.)

Manaus' wealthy citizens bought cultural respectability by commissioning a £10m opera house that took four years in build employing the finest European materials. After it opened in 1896 huge sums were paid to bring such figures as Sarah Bernhardt and Causa—the fine acrobats only disturbed by the audience's fans in the steamy tropical heat.

The boom lasted under 25 years. An Englishman, who the Brazilians rarely name, Henry Wickham, managed to smuggle in 1876 some rubber seeds from Belem and successfully planted them at Kew Gardens, where they were taken to Sri Lanka. Within 12 years the Far East had broken irrevocably the Brazilian rubber monopoly. Manaus was left a ruined city, populated by impoverished rubber tappers and Amazonian Indians drawn from the jungle to this several of the key elements in the town's infrastructure remain unchanged from this era—including a fine covered market displaying

some of the most odd shaped and coloured fish available for human consumption) and a floating dock (built by the British). The opera's magnificent orange and green dome still dominates the skyline and it has been twice restored, most recently in 1976.

The present Brazilian government has managed to breathe new life into the city by creating a customs free zone. In particular electronics groups have taken advantage of the tax incentives to establish assembly operations. The duty free status also lures Brazilians to combine long week-ends for shopping with a gentle bit of sight seeing in amazonia. Brazilians can buy up to \$600 tax free per person.

Anticipating a tourist boom, the Government has built an enormous hotel complex on a spectacular jungle covered bend on the Rio Negro above the city. The "Tropical" is nearly always heavily booked. Foreign tourists are attracted by the fame of the opera house—also there are rarely performances in the theatre since it seats less than 700 and the cost of attracting the stars is prohibitive.

Beyond this exists the peculiar schoolbook mystery of a river and rain forest that supplies one-third of the world's oxygen and produces a quarter of all fresh water. Most in their brief tours never get closer than seeing a sleepy anaconda than the two Japanese tourists I watched buy one day butterfly nets and leave the best with glass cases of brightly coloured butterflies—somewhere along the line frustration or imagination had taken over.

Robert Graham

MOTORING

Wheels or the wealthy

BY STUART MARSHALL

IT WAS, I suppose, like dining at the Taillevent in Paris, looting next day with Paul Bocuse at Pont de Collonges and going to dinner at the Mouille de Mougins. Of these three-rosette watering holes Michelin says price has no meaning and that they are worthy of a special journey.

If cars were similarly rated, then the Bentley Mulsanne Turbo, the Jaguar Sovereign 420HE and the Mercedes-Benz 500SEL would probably get three rosettes, too.

I have never had three meals to succession at Michelin's cr me de cr me but I once came near it. Lunch at the Pyramide at Vienna, dinner at the Dussan de Baumaniere and lunch the following day at the Cardinal at Baix, which in those days, if my memory serves me right, had two rosettes. For my money (which mercifully it was not) the Cardinal's food pleased me most, even though the Pyramide and Baumaniere were three-rosette establishments.

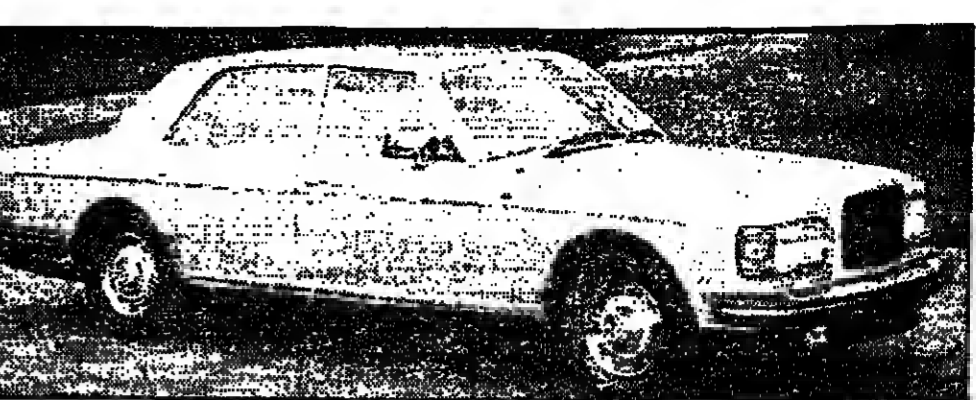
The experience has lived with me over the years. And so will the three successive weeks in which I drove first the Mulsanne Turbo, then the Jaguar Sovereign and finally the Mercedes-Benz 500SEL.

Rolls-Royce emphasises the Bentley Mulsanne Turbo's sporting ancestry but nothing could be further from a sports car than this huge, heavy super-luxury saloon. It is a town carriage with a quite remarkable turn of speed (a maximum of 155 mph, it is said, and a 0-60 mph in seven seconds that will see-off a V12 Jaguar) but indifferent handling.

The superlative Avon tyres do their best, but they howl in anguish if one is unwise enough to try to fling the Mulsanne's 2½ tons rapidly round corners.

For long-distance cruising, the Mulsanne Turbo is marvellous, given that the 23.75-gallon tank will need refuelling at less than three-hourly intervals as you stride down the autoroute to see the new yacht in Monte. For more mundane motoring in Britain, I saw 15 mpg.

It is an old-fashioned car.



Bentley Mulsanne. Very fast but a town carriage, not a sporting car

really. You sit up high on the leather thrones, looking along a gleaming bonnet—though I missed that silver lady on the end. The fascia is an ergonomist's nightmare, though Rolls do say that the knobs are differently shaped for easy identification in the dark.

Surprisingly, it is not all that quiet. The V8 is heard distinctly at low speeds or when accelerating. There is some tyre thump. And the elderly three-speed automatic jerks perceptibly as it changes down on a trailing throttle.

To sum up, the Mulsanne Turbo goes like a B17W, handles like a Cadillac and is quite beautifully made, as it should be at a price of £61,734, for which Rolls-Royce could surely make the sheepskin mats match the paintwork. Pillar-box red and purple are not a happy mix.

Moving from the Mulsanne to the Jaguar Sovereign 420HE, the better ride, remarkable noise suppression and sharper handling were obvious straight away. There can be no car in the world so good at insulating its occupants from road-induced clamour.

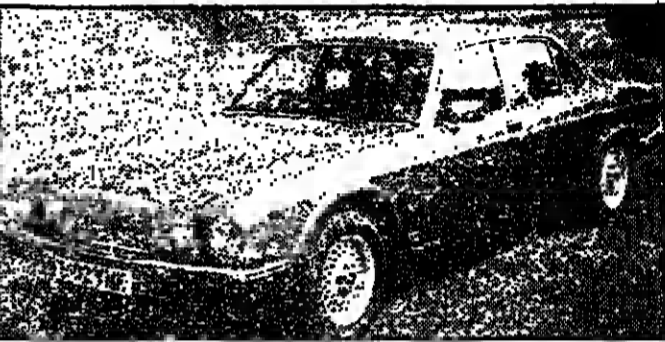
It is quiet mechanically, too, and only the mirrors create wind roar at under 100 mph. The steering—like the Bentley's—has a bit too much power assistance for my liking but the Jaguar is a great driver's car. On a mainly motorway journey, I obtained 17.1 mpg.

one is aware that it is a volume production car, even though it is the flagship of the range with every conceivable extra.

It is quieter mechanically than the Bentley and Jaguar, though perhaps the tyre noise drowns any under-boon sounds. Road roar is the one respect in which the Mercedes is markedly inferior to the British cars.

You can feel and hear its Michelin XWVs as they thump over potholes and expansion joints. The long wheelbase version of the S-Type I drove has an immense amount of rear leg-room and the boot is cavernous.

Which would I go for? If I had to parade my wealth, the Bentley. For the enjoyment of silky silence when motorway cruising, the Jaguar. And for sheer efficiency, the Mercedes, which costs £29,190 and depreciates at a relatively snail's pace.



Top: Jaguar Sovereign 420 HE. Unmatched for tranquility on the motorway. Above: Mercedes-Benz 500SEL. More engineering, less old-style opulence

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BOOKS

'Divinity doth hedge a king'

BY PETER QUENNEL

Henry VIII by Jasper Ridley. Constable, £15.00, 473 pages

One of the Tower of London's most impressive exhibits is a magnificent suit of tilting armour, made at Greenwich in 1540, probably by a band of Continental craftsmen called the 'Almain Armourers'...

During his heyday, he was considered remarkably handsome. He had an imposing, masculine head, and although he was still clean-shaven, a mane of long red-golden hair...

informs us, they had a 'cruel, pizgy gleam.

This biography, which is almost as amply proportioned as its subject, often reminds us of Halifax's suggestion in his 'Character of Charles II' that 'a King is such a distinct creature from a Man, that their thoughts are to be put in quite a differing shape...'

Henry had undoubtedly read the book—he was always fond of reading; and he seems to have shared so many of the views it expresses that an English historian, A. F. Pollard, half-described him as 'Machiavelli's Prince in action.'

With his fellow rulers, particularly with the Emperor and with the King of France, he kept up a strongly competitive relationship...

V. the new Holy Roman Emperor, only 19. Among his rivals, the ambitious King of England was determined to hold his place, both politically and physically.

At Greenwich during May Day festivities, he questioned the Venetian Ambassador about the French King's bodily appearance. 'Is he as tall as I am?' he demanded; to which the cautious diplomat replied that they were approximately the same height.

Following the French King's example, he decided he would grow a beard; and, later, on the Field of the Cloth of Gold, he challenged François to a wrestling match—a proposal that recalls some of the merrier episodes of an American presidential campaign.

will or appetite, he will put the loss of one half of his realm to danger... I have often knelt before him... on my knees the space of an hour or two to persuade him from his will and appetite; but I could never bring to pass to dissuade him therefrom.

Henry's "will and appetite," his love of power and vain-glorious self-esteem, were unquestionably his ruling passions; and, at every crisis of his existence, they invariably took control.

In Jasper Ridley's portrait of the monarch and his age, the cultural achievements of his reign should have received (I think) a good deal more notice. Henry's tutor was John Skelton, a by no means undistinguished poet, whom the biographer only once mentions...

Elizabeth's favourite country gods," while above a main gateway sat the "invincible Henry" on a classic throne...



Holbein's portrait of Henry VIII painted about 1536

Boss as mole?

BY ANTHONY VERRIER

Too Secret Too Long: The great betrayal of Britain's crucial secrets and the cover-up by Chapman Pincher. Sidgwick & Jackson £10.95, 638 pages

Allen Dulles, who ran the CIA in the days when, objectively, the Soviet Union could be regarded as the West's major enemy, once remarked: "In the U.S. Intelligence is a profession; to the British it is a way of life."

Chapman Pincher's new book—essentially an expanded version of his 1981 *Their Trade Is Treachery*—reveals far more of these neuroses than it provides further revelations about Sir Roger Hollis, Pincher, writing on behalf of a few Security Service (MI5) old-timers who genuinely believe their former chief was a Soviet agent...

Pincher fails comprehensively in the attempt. Although fervent in his belief that Russia remains Britain's main enemy (and, in consequence, one of the latter's prime subversion targets), Pincher is insufficiently vindictive effectively to hound a man who died in 1973 and who, although Deputy Director General of MI5 between 1953-56 and Director General from then until retirement in 1965, was too colourless a character—and too professional an intelligence officer—to provide any lurid biographical detail.

is a motive for Hollis's Communism. It is hardly surprising that, in a truly revealing passage, Pincher is scathing about lawyers—those odd fellows who do seek motives for actions when elucidating mysteries—especially when they are senior officers in MI5.

So what is one to make of Pincher's four substantive assertions about Hollis? We are told he became a communist in China (where he worked for nine years before joining MI5) that he may have passed secrets during World War II to Ruth Kuczynski, a Soviet intelligence officer; that he failed in 1953 to act on intelligence provided by the Soviet defectors Igor Gouzenko; and that he blocked internal MI5 investigations following Anthony Blunt's "no prosecution" admissions in the 1960s.

Pincher provides no evidence of Hollis's communist associations in China, and resorts to a false inference, unwittingly or not, from an authentic source, Declan and Storry's *The Case of Richard Sorge*, in demonstrating apparent guilt by intermittent association. Kuczynski's career, with all respect to Pincher, has been well documented; Hollis does not appear anywhere in her own account, nor does Pincher provide anything more than a superficially corroborated. The Gouzenko chapters, ironically, provide a point in Hollis's favour. Pincher rightly stresses Phibby's fear of being sent to Tashkent because he might be blown. But Hollis went, was not blown, and was not mentioned in Gouzenko's rambling account to the Royal Canadian Mounted Police.

Pincher is on stronger ground with the fourth assertion, that of blocking investigations, and that strong leads concerning serious security lapses led to so many blind alleys. At this point, however, a plea must be made for common sense. Nobody disputes the effects which revelations of treachery have upon national morale; but it should be stated that the two most serious cases for many years, Geoffrey Prime and Michael Egan, occurred well after Hollis's death, not merely after his departure from office.

But these two traitors, like others before them, escaped detection for a time because of security lapses which routine surveillance would have prevented. There is a case for a marked improvement in the management of MI5 and GCHQ; there is none for witch-hunts, and even less of a one for supposing that they alert the nation to security threats.

Finding a future that really will work

BY DAVID HOWELL

The Crisis For Western Political Economy and other essays by Peter Jay. André Deutsch, £10.95, 256 pages

Unemployment "in the low millions" is what Peter Jay forecasts a decade ago, amidst cries of shock and horror, and that is what we have now got.

Of all this and more we are reminded in *The Crisis for Western Political Economy*, Mr Jay's personal selection of his essays, lectures and articles from what must be the warehouse full of words which he has accumulated over the past two decades, as he has moved from the Treasury to journalism, to high diplomacy to TV moguldom and now back to the free-lance typewriter.

"mostly" because the volume also includes some chapters on television coverage of current affairs and on the TV-AM saga, in which Peter Jay played one of the lead roles.

I know that the television world is full of very important and creative people and that what they all do and say is itself held to be "news." But I confess to the quirky view that the whole debate about the power and significance of television is somewhat overrated. I feel much happier with Mr Jay in his marvellously provocative and stimulating economic role, as he seems to be himself.

lence, whereas I'm sure that our deepened and strengthened capital markets can. But it is Mr Jay's present volume that is under review and not the next one, and this means that we must deal not just with economics but with ambassadorial Jay, philosopher Jay, market socialist Jay and even yachtsman Jay, all of whom make their contribution to this work.

What is the message of our former Ambassador to Washington about the Anglo-American relationship? It is that this is the most important relationship we have, and that the ideal of European unity is passé, and if pursued further in the wrong spirit positively dangerous to the West. Furthermore, the best hope for a united West is to box clever on regional and local issues in different parts of the world rather than to dig yet further into the trenches of East-West superpower confrontation.

To accommodate the kind of society which is emerging we need not just reforms of the labour market but wholly different definitions of work, employment and unemployment, with different supporting public policies.

Could this explain why one of the author's other main predictions has not been proved to be quite so accurate? According to Mr Jay's 1974 Wincott Lecture, reproduced in this volume, society would simply refuse to accept very high levels of unemployment and ought by now to have broken down in chaos. The future, as I recall he wrote elsewhere, was not going to work.

Yet here we are and society is still just about hanging together. The reality is that the unemployment we have to-day is not remotely comparable with the mass-joblessness of the 1930s; it was not all caused by the disinflation policies of recent years and will not go away if these policies are reversed.

Elizabeth owed much to her puissant father, and to the visual splendour with which he had invested the English monarchy; and she must often have looked up at this triumphant statue as she drove into the court beyond.



Peter Jay: many roles

Barbarous rule of the Khmer Rouge in Cambodia

BY STEWART DALBY

The Quality of Mercy: Cambodia, Holocaust and Modern Conscience by William Shawcross. André Deutsch, £12.95, 430 pages

You can adopt a twin-track policy to this important book. In one sense it is a sequel to William Shawcross's earlier, *Sideshow: Kissinger, Nixon and the Destruction of Cambodia*. There he attempted to show that Nixon and Kissinger, by ending Cambodia's neutrality to further their own policy ends in neighbouring Vietnam...

It became obvious to many of us reporters who were in Cambodia, that the Khmer Rouge regime 1975-79 are considered by many to have paralleled this century only by Hitler's treatment of the Jews and Stalin's mass killings. As

Cambodia in the early 1970s that, during the Lon Nol war, 1970-73, Cambodia was disintegrating as a society in a way that Vietnam, say, was not.

Even if one tried to dismiss the growing stories of Khmer Rouge atrocities against priests, women and children, because one did not have first-hand knowledge of it, there were plenty of episodes signalling the slide into barbarism around Phnom Penh, the capital.

One of the last things I witnessed before returning to Vietnam in April 1975 was the aftermath of cannibalism. Some front-line Lon Nol troops, abandoned by the Americans, only days away from being overrun by the bestial Khmer Rouge and unpaid for months had killed their commanding officer and eaten some of his organs.

The horrors of the Khmer Rouge regime 1975-79 are considered by many to have paralleled this century only by Hitler's treatment of the Jews and Stalin's mass killings. As

Mr Shawcross says, no one knows how many Cambodians died during this period but a figure of 2m has been fairly generally accepted.

This is out of a population of 7m in 1970. When the Vietnamese invaded in early 1979 the famine which was one Khmer Rouge legacy, together with Vietnam's unwillingness and inability to do anything about it, led UN officials among others generally to fear Cambodians could disappear as a distinct race.

Mr Shawcross does not come up with a complete answer to this rare collapse of nearly an entire country. But by drawing on others' extensive interviews, notably those with long Sary the Khmer Rouge foreign minister, his own talks with Cambodian intellectuals like Thoun Mui and also recalling J. Glenn Gray's observations in his classic study: *The Warriors. Reflections on Men in Battle*, he attempts to analyse the Khmer Rouge phenomenon.

He concludes: "War-time brutality, Marxist fanaticism, obsessive and threatened nationalism—these seemed to be three of the principal elements that had contributed to their totalitarianism."

The main body of the work is a case-study of why, when the international community tries to rescue a country from mass starvation, a whole litany of frustrating factors intrude. These include, regional political considerations, superpower inter- and bureaucratic lethargy and amateur meddling.

Given what is happening at this moment in Ethiopia, the study is more than a little apposite. In Cambodia's case the relief effort was hamstrung because Thailand, Vietnam's traditional enemy, supported the Khmer Rouge in the hills of Cambodia and on the international diplomatic circuit. So too did China, because China, having supported North Vietnam against the U.S. during the war decided that Vietnam was

its traditional enemy. The U.S. was against the Vietnamese invasion because Vietnam was supported in this by America's traditional enemy, the USSR.

The U.S. is still smarting at its defeat by its traditional enemy Vietnam, and this led it tacitly to support the Khmer Rouge. Above all, the moral ambiguities were underlined by the situation in the UN.

Although most Cambodians were undoubtedly better off under anybody other than the Khmer Rouge, few countries other than Russia could condone Vietnam's illegal occupation of another country. As Mr Shawcross puts it, "The UN is interested in the rights of nations rather than human rights."

The Khmer Rouge continues to hold the UN seat. Since many of the largest official agencies work under the auspices of the UN and in some cases are largely funded by the

Fiction

Lady who liked to travel incognito

BY ISABEL QUIGLY

The Diaries of Jane Somers by Doris Lessing. Michael Joseph, £9.95, 510 pages

Disguise is the fiction-writer's stock-in-trade. So we shouldn't be surprised/shocked/speared if a fiction-writer decides to fictionalise things further by saying someone else did the writing. By using a pseudonym, in other words. Plenty of people with advantages (of name, fame, wealth, position, etc) long, yet fear, to do something similar. Films, plays, operas have used the theme: the girl who swaps places with her maid, the man with his veiled wife, the man who is loved and valued without the arbitrary qualities of birth, wealth, position? The

heir who longs to be loved "for herself" and feigns poverty, ditto. Even ditto the ballad "Believe me if all those endearing young charms Which I gaze on so fondly today Were to fade by tomorrow..."

Substance and accidents: it all comes back to that; the essential and the, as it were, descriptive, the what-is and the how-it-looks. Remove the famous name, the descriptive and connective value of fame, and will the substance remain recognisable? Of course reputation is acquired by achievement, isn't it the same as the automatic fame that goes with (say) royal birth, but there may be the same urge to know what's really thought of you without your advantages, in disguise,

(And disguise isn't just the changing of your own appearance: it's the changing of attitudes in others who don't recognise you.) Is the urge impish? Malignant? Soul-searching? Masochistic? Truth-seeking? Or a bit of them all?

By now, everyone literary knows that Doris Lessing wrote two novels and published them to almost total critical indifference. They now appear in one volume with a rather gleeful preface by the author. What it proves I'm not sure. Not, I think, so much that publishers, readers and reviewers love only a name, an established reputation and repetitive works, as that in this particular case the novels put out to prove it weren't particularly good (The

Diary of a Good Neighbour, which I was one of the few people to review, and in this newspaper, was by far the better of the two).

On the jacket of the original novels it was said that the name Jane Somers hid that of a well-known woman journalist ("It was enough, it seems, to say it for people to believe it." Mrs Lessing surprisingly remarks). This seems to me a small cheat in the game of disguises, which in practice worked against it; and it is as realistic, even as journalistic, fiction that the novels fail to ring true.

Of course they have their moments of good description and atmosphere, but the "real" world of Jane Somers is some-

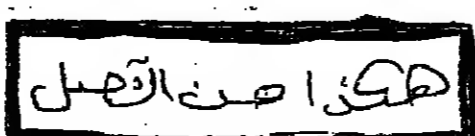
how just wrong, off-key, foreign, not only to the reader but, one feels, to its creator, as a whole and in detail. I can't really believe in her office life, her glossy magazine, her flat and clothes and lifestyle.

I can't believe that someone fairly hard and highly fastidious would spend her leisure in the truly saintly task of cleaning up the results of inconjuncture and mental disorder in old women; would allow her exquisite flat to be made filthy by young layabouts not once but over and over again so that chairs are no sooner re-covered than wine stains and fat-greases reappear on them; would (presumably high-heeled as always) walk from Chelsea to Regent Park to Camden Town and back

to Bloomsbury, or listen for three hours in old Annie's repetitive, unanswered and pointless complaints.

Nor can I credit the logistical likelihood (in a realistic novel, not a Godard film) of the two crazy youngsters who, unconnected with each other, trail Jane round London. Not to mention the love affair on which the second novel, *If the Old Gouda*... turns.

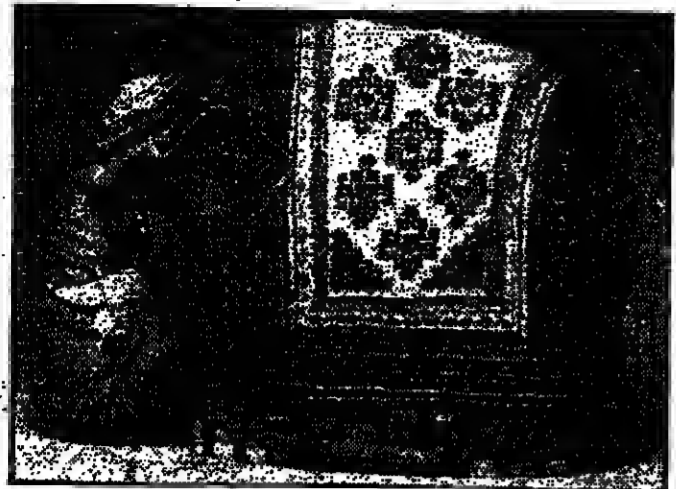
And so it goes on. Mrs Lessing has tried to disguise herself too thoroughly, to enter a world she doesn't seem to know and to write in a genre that does not suit her, that's all. Not very successfully, but since she is a much better writer than most, her failures are better than many people's best.



HOW TO SPEND IT

by Lucia van der Post

Spending tips



Elephant tea cosy, £4.75. Save The Children "Presents" catalogue

SAVE THE CHILDREN TRADING COMPANY, 17 Grove Lane, Camberwell, London SE5 8RD. Free.

If you prefer to spend your money where the need is greatest, then you'll find it easiest with Save the Children's two catalogues. Between them, the "Home Shopper" and "Presents" catalogues offer well over 800 different presents and the standard is much the highest of all the charity catalogues. The photography and layout doesn't approach the standard of the best commercial ventures (quite rightly) but among the presents you should be able to find something that will give genuine pleasure to almost anybody.



CHARLES GREVILLE, Airport House, Purley Way, Croydon, Surrey.

Not a full-blown mail-order company, just the purveyor of this exceedingly unusual combination of barometer, thermometer and hygrometer. Well, it makes a change from all those traditional, lugubrious bulb-shaped versions that darkened Victorian homes.

Under the sleek Perspex dome the three units are bussed. In all it stands 6 1/2 ins high and is 4 ins wide. Buy it from Charles Greville for £34.75, including postage and packing.

ROYAL SOCIETY FOR THE PROTECTION OF BIRDS, The Lodge, Sandy, Bedfordshire SG19 2DL. Free.

If birds are your thing then you can buy everything from a Christmas card to a pencil case. From address books to wrapping paper all covered with one or other of our feathered friends. The puzzles seem to me among the nicest presents, ranging from the medium-difficult with 500 pieces and going up to the horrendously difficult one with 1,500 pieces.

The Filofax seems to be the present of the year and the RSPB has its own series of looseleaf notes made for bird-watchers. Buy it in Morocco leather for £27 or in grained vinyl for £12.75. Then there is all the sturdy equipment the birdwatcher needs—binoculars, rucksacks and poker mittens. If by this time you're dying for something unconnected with birds, there are plant-holders and secateurs, some flower-scented drawerliners and bags of Norfolk lavender.

GLORAFILIA, The Old Mill House, The Ridgeway, Mill Hill Village, London NW7. £1 for catalogue refundable with first purchase.

Once upon time Glorafilia just went in for ready-prepared kits of tapestry or needlework. Though this still forms the major part of the items in the catalogue, there is also a section of Glorafilia accessories ready to buy, there's a quilted sewing kit, a spacious quilted bag for holding all the needlework, there are thimbles and small boxes, sterling silver photograph and picture frames.

Above all, however, it is the catalogue to send for if you want to embroider something special for Christmas or give a gift to a friend who loves needlework. It is a good, professionally produced catalogue with everything shown in full colour and carefully described.

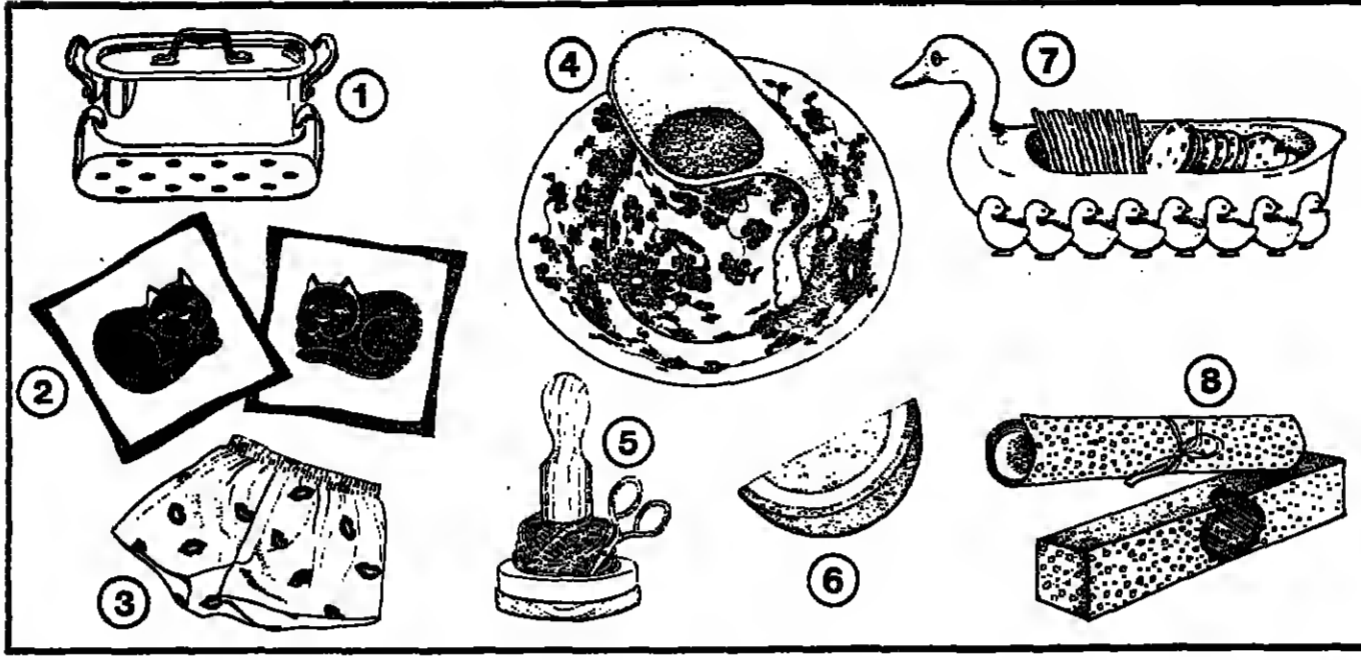
HEART CARDS LIMITED, PO Box 45, Burton-on-Trent, Staffs. DE 14 3 LQ. Free.

This is the catalogue put out by the British Heart Foundation. If it's a cause that appeals to you then you'll probably find something in here to buy. It's not a very professional-looking catalogue and the choice of presents is limited. It's best on the smaller practical things that appeal to motorists (frost shield or foot pump) or those who go in for do-it-your-

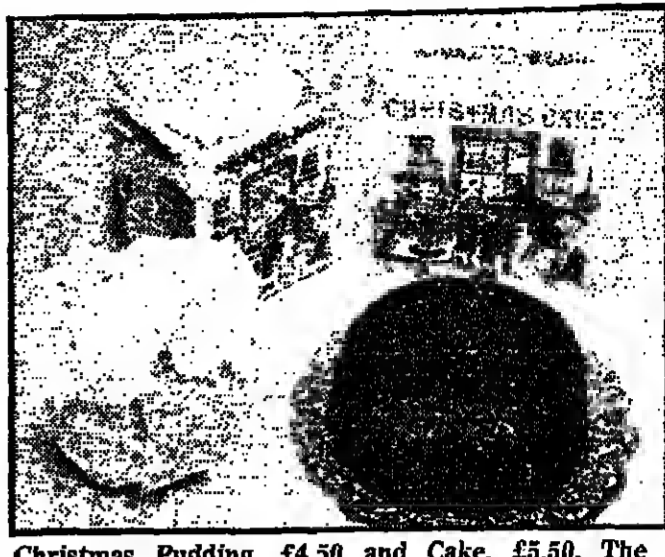
MORE POSTAL ORDERS

THIS WEEK the How To Spend It Page is entirely given over to shopping for Christmas by mail. Whether you want something as utilitarian as a saucepan, as exotic as a rare rose, as flamboyant as a hand-painted, silk-collared, dressing-gown, somebody, somewhere will

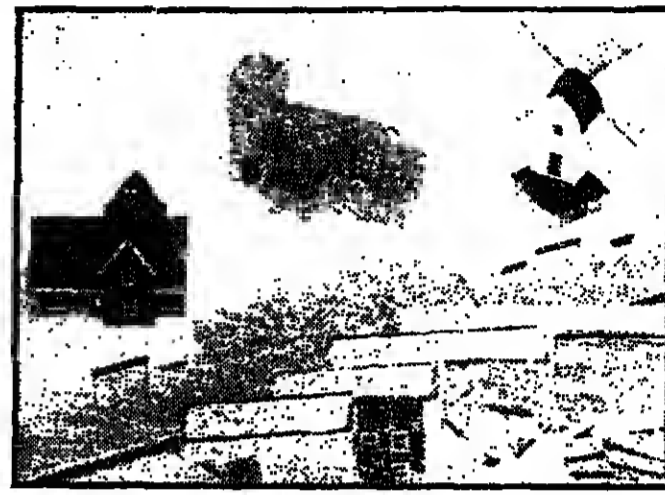
be happy to send it to you. But, as I warned last week, no company, however efficient, can stock unlimited quantities of everything it offers, so if you have set your heart on something particular, the sooner you order it the more likely you are to get it.



- 1—Copper fish kettle with plate drainer and lid. In six different sizes ranging from £90.60 to £405.30. From The Coppershop.
- 2—Pair of cushion covers for cat fanciers. In black and cream. £5.90 the pair. Oxfam.
- 3—Snappy boxer shorts, says self (tool kits and rechargeable torch).
- 4—Restrainted dark blue and white basin (£19.95) and ewer (£22.50) based on a 19th century wasbstand sel. From The National Trust.
- 5—String 'n' Things, a pine-wood holder for string, tape and scissors. £3.75 from Save The Children.
- 6—Realistic green white and pink Water Melon sponge. Measures about 10 ins by 4 1/2 ins. £2.95 from Save The Children.
- 7—A bit coy this ceramic duck, used here to serve crackers but it could hold anything from pate to flowers. £19.95 from Fortnum & Mason.
- 8—Scented drawer liners, flower-printed, five sheets for £2.95. From The Royal Society for the Protection of Birds.



Christmas Pudding, £4.50 and Cake, £5.50, The National Trust



Easy-to-assemble model buildings. £2 to £2.35 each, The National Trust

Apothecary's rose, known from the early Middle Ages and brought to France during the Crusades by Thibaut VI, the lovely Famin Letour (with the large shell-pink flowers and the delicate fragrance) and the Attuma Damask, known on the Isle of Samos in the 10th century and of which Virgil sang. Orders over £20 will be posted free, under £20 add £1.50.

ARCADÉ, Spirella, Building, Bridge Road, Letchworth, Hertfordshire, Free.

This is the catalogue put out by Action for Research into Multiple Sclerosis. The catalogue is bright and cheerful but does not offer a great deal of choice. However the illuminated magnifying glass at £1.95 is something most car-drivers could do with while the little kit of mini screwdrivers, the Tool Mate, at 80p is a good stocking filler. There are fine boxes of soap (£2.75 for a set of 6) or her, a travelling pocket magnetic chess set for the family and puzzles for kids.

JACOB GORDON'S SALE STARTS TODAY

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TOTAL ASSETS (30 September)

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DICKINS & JONES

Otherwise the laundry bag (labelled Dirty Stuff) at £2.45 might persuade an untidy teenager to do something with his dirty clothes other than leave them on the floor. The Baked Beans puzzle at £1.49 looks fun — 108 almost identical-looking baked beans need to be put together a circular plate. If you hurry you can also order personalised pens and pencils.

SIX APPLES CRAFT CENTRE, Wethersfield, nr. Braintree, Essex. CM7 4BX. Send 20p in stamps.

If hand-made goods with a slightly country air are what you're after, then this is the catalogue for you. Almost everything is handmade, much of it in East Angles and those who find themselves in or around Braintree could visit the craft shop which is run alongside the mail order business.

You could choose between a hand-turned wooden dibber for planting out seedlings (£2.85) or an optical kaleidoscope (£7.25) or a canacious sewing basket lined with a small floral print (£5.50) or a blue glazed lidded pot pourri holder £3.50.

PRESENT AFFAIRS, 226 Fulham Road, London SW10. £1.

A splendidly restrained selection of what are essentially gift items. Nice solid plain silver photograph frames, some discreetly plain leatherware, a good wooden shutter photograph frame (in white, black or yellow, a nice change from the classic silver, at £7.95 each), some unusual ceramic jewellery from California (prettiest are the pastel hearts for £21).

Everything is photographed in full colour. The shop also offers to bandpait lamps, lamoadades and furniture to your own specification (the catalogue features a particularly pretty small child's chair hand-painted to order for £42).

THE LAST DETAIL, 341 King's Road, London SW3. Free.

The tone of the shop and the catalogue is perhaps set by its own description — "ceramics, lighting, objets de trivvia and other such overwhelmingly unimportant non-essentials." It sells the sort of thing without which we can all survive pretty well but many of the objects are none the less desirable for all that.

The Gladys Goose light, for instance, has given me much pleasure over the years and I see it hasn't gone up in price since I bought it all of five years ago—it still sells at £24.95. The movie camera light at £39.95 and the Hollywood light at £29.95 would do a lot for many a bedsitter. Buy from them off-beat vases or flowerholders, unusual photograph frames, cigarette lighters shaped like a Wrigleys Juicy Fruit pack and choose from as large a collection of joke books as I've seen.

TRENCH ENTERPRISES, Three Cow Green, Bacton, Stowmarket, Suffolk IP14 4RL.

For puzzle addicts this is the company to turn to. Trench Enterprises makes a series of wooden manipulative puzzles which seem to be the latest craze—Kev's Cubes and Kev's Rings are both a series of mysterious looking cubes linked together by elasticated string which have to be rearranged so that they either fit into the box provided or into a continuous line.

Trench Enterprises will also make any puzzles to order—just send them a photograph, map, print, postcard, sketch or cutting (from 3 1/2 in by 3 1/2 in up to 24 in by 32 in) and it will be transformed into a three-



FOR some curious reason that men seem unable to fathom, most of us women had present-buying for the men in our lives a difficult business. Far too often, in their view, we resort to those stock-in-trades of the Christmas season, the ties, the socks, and the sweaters.

If clothes it must be, make it clothes with a difference. Blades, the eminent Savile Row establishment at No. 8 Burlington Gardens, is no exact) offers just that. Take robes, for instance. Unless you were Jeremy Irons in Brideshead or Noel Coward, they have usually come to towel-hog, matted wool or that shiny polyester. Now that robes are being worn (so I'm told) to some of the very best parties you need a robe to match. Blades sells them with hand-



NATIONAL TRUST (ENTERPRISES), Box 101, Melksham, Wiltshire, SN12 8EA. Free but send a large stamped addressed envelope.

Here is a small but distinctive collection of what the National Trust sells in its many shops up and down the country. The emphasis is on all things charming, sweet-smelling, and embellished with flora or fauna. You won't find something for everybody in this catalogue but I'd be very surprised if you put it down without buying anything at all.

The traditional round pudding for which the Trust has become famous is £4.50 and comes wrapped in its own good cotton cloth. There are traditional marmalades and preserves, Christmas cakes and handmade chocolates. The country set might like the lightweight folding seat (£16.95) while the sweetly-scented drawer liners are always a good buy (£3.50 a set in a choice of scents). For children I like the easy-to-assemble wood and board model buildings like the windmill and parish church photographed above. At £2.15 each they provide hours of pleasure.

OXFAM TRADING, Room 15, Murdoch Road, Bicester, Oxon. OX6 1RF. Tel. 0868 245011. Free.

As most people know by now, almost everything in the Oxfam catalogue is made by people who desperately need to sell their crafts to live so the more presents you can buy from it, the more you help others to survive.

Though still not up to the standards of the best commercial catalogues there is more in this issue that one could honestly feel happy about giving than ever before.

There are still too many curious things made from raffia or cane, strangely embroidered boleros, and rather crude-looking leatherwork but there is also a wonderfully colourful peace-od Namdaba rug, a charming blue and white ceramic elephant savings bank, the dramatic cushion covers photographed here, a large selection of Christmas cards, and amazing value this—some charming pink and white ceramic candlesticks at £1.98 the pair.

COPPERSHOP, 48, Neal Street, Covent Garden, London, WC2. £1.50.

You need to be sure you (or whoever you are giving the present to) like copper but if you do, you will be spoiled for choice. Splendidly sturdy and traditional-looking saucepans, a fish kettle (de rigueur in foodie circles), paella pans, gratin dishes, fondue sets, kettles, coffee pots, jugs, flower bowls, and cache-pots—if it can be made in copper, the Coppershop will have it. If it does not have it, it will make it to order.

THE SPASTICS SOCIETY, 12 Park Crescent, London W1. Free.

You could order all your Christmas cards, wrapping paper and ribbon, as well as a wide range of presents from this catalogue. Though the range of papers and ribbons isn't very classy if you look carefully there are one or two designs that are more restrained, less jocularly Christmassy than usual (I particularly like the rainbow tissue wrap £2.25 for 24 sheets).

When it comes to presents, it seems strong on smallish gadgets—things like a plastic device that revolves for holding kitchen implements (£6.99) or a Door Clothes Hook for 99p and a very nice marble rolling pin at £5.99. Cooks and motorists are the people most of the charity catalogue organisers

ARTS

All in the mind

The first of Professor John Searle's Reith Lectures (Radio 4, Wednesday) was subtitled "A Froth on Reality..."

RADIO

The result of brain processes, are therefore the same thing. "They are not only consistent, but both true."

writing sounded to me like something from a serial in a boys' paper; but it held the attention, and under Jane Morgan's direction it was nicely played by Norman Rodway, Lillian Morgan.

The BBC's usual obsession is with anniversaries, and sure enough, here are two programmes celebrating the 25th anniversary of the publication of Laurie Lee's Cider with Rosie.

Modern music in Majakovskij Street

My regular visits to Budapest since 1974, when Hungary's first annual festival of contemporary music was unveiled here...

Among whose offerings was the remarkable "Symphony" by the young composer György Kurtág...

Sounds excellent

Classics and moderns this week: superlative Mozart and Beethoven in various performing styles, and superlative performers in early-19th-century music...

Dominic Gill reports on the annual Budapest festival and encounters a loss of nerve, authoritative BBC singers, a feeble Soviet pastiche, the Stockhausen family and a good place to eat.

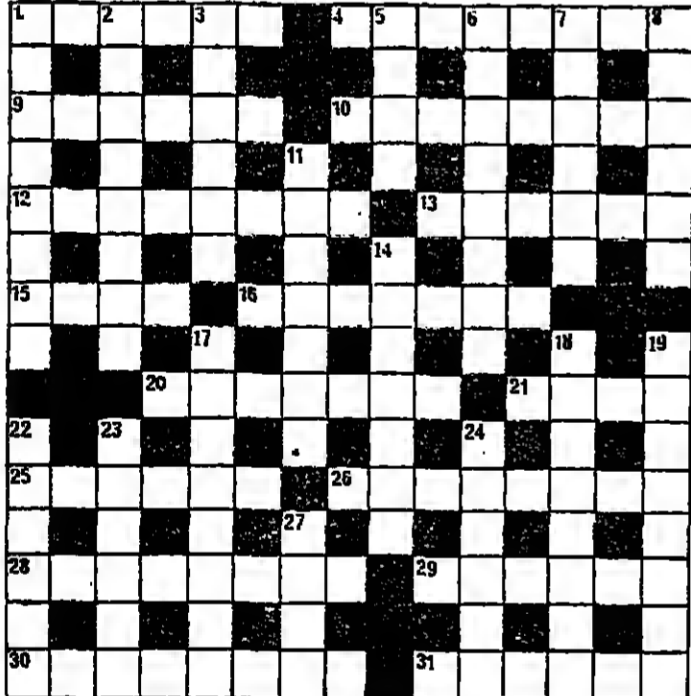
Where there would once have been two or three concerts a day, there is now only one. The festival was forced to rely for the first time on a generous departmental subsidy...

The Karlsruher Stockhausen family, courtesy of the Goethe Institute, were also present in Budapest in force. The festival's finale was a compelling performance of the electronic tape-music repertoire...

RECORDS

from Fassebaender's rich dramatic range and her vivid response to the words, and what she does is riveting; Seemann, by comparison with Glenn Gould on an older recording...

F.T. CROSSWORD PUZZLE No. 5566



A price of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope...

Name: Address:

- ACROSS 1.4 JP may stir at alarm-clocks being used in bed (6, 8) 9.10 West-hurry crime times for hibernation (6, 8) 12.13 I'm blest! Nell got revived with sal volatile (5, 6) 15.16 Asked for ton much, came across like a bull? (11) 20.21 Wind indicator, very small in fact at her front (7, 4) 25.26 Make a note of wild bear ruler—the best so far (6, 5) 28.29 Embarking on whales is likely to be public (8, 6) 30.31 A smart sleep and maybe a good-night wish (8, 6)

- DOWN 1 Uncle's chessmen dance (14, 1) 2 Revelled in milk, pudding? (8) 3 U.S. lime for cereal (6) 4 Revel in defeat (4) 6 Our depot may be removed from the ground (6) 7 Freshadowers, when running, of oriental flues (16) 8 Relative in hospital (6)



Indicates programme in black and white

- BBC 1 8.20 am The Parishes (cartoon). 8.35 The Littlest Hobo. 9.00 Saturday Superstore. 11.25 The Last Major's Show. 12.15 pm Weather. 12.15 Grandstand, introduced by Desmond Lynam, including 12.50 News Summary. Footage of the first season of the 1984-85 Formula 1 World Championship. 1.00, 1.35 and 2.10: Motor Racing: The Formula 1 World Championship. 2.15: The Formula 1 World Championship. 2.30: The Formula 1 World Championship. 3.00: The Formula 1 World Championship. 3.15: Regional variations. 3.20 The Tripods. 3.35 The Late Edmonds Late Late Breakfast Show. 6.35 Bob's Big House. 7.10 Juliet Bravo. 8.00 Hi-De-Hi. 8.30 Dynasty. 9.20 News and Sport. 9.35 Royal British Legion Festival of Remembrance. 11.03 Stath of the Day. Jimmy Hill introduces highlights from Canon League First and Second Division matches, plus a news roundup. 11.55 "Savage Messiah," starring Dorothy Tutto. REGIONAL VARIATIONS: Wales—5.15-5.20 pm Sports News Wales. Scotland—5.15-5.20 pm Scoreboard. 11.05-11.35 Sportsweek. Northern Ireland—5.55-6.05 pm Northern Ireland Results (opt-out from "Grandstand"). 6.15-6.20 pm Northern Ireland News. 6.30-6.35 pm Northern Ireland News Headlines. England—5.15-5.20 pm London Sport: South West (Plymouth). Spotlight Sport and News: All other English regions—Sport/Regional News. BBC 2 11.50 am Open University. 2.50 Metro Live. 7.25 Saturday Cinema Double Bill: "Women Are Not Angels," starring Robertson Hare. Alfred Drayton (first show) on British television) and at 8.00

- LONDON 6.25 am TV-am Breakfast Programme. 9.25 Breakfast Time. 9.30 Fraggles. 10.00 Saturday Starship. 11.20 Mister T. 11.45 Cartwheel. 12.15 pm World of Sport: 12.20 Wrestling: 12.45 News: 12.50 The Bill: 1.20 Pool: The Dry. 1.30: The Dry. 1.40: The Dry. 1.50: The Dry. 2.00: The Dry. 2.10: The Dry. 2.20: The Dry. 2.30: The Dry. 2.40: The Dry. 2.50: The Dry. 3.00: The Dry. 3.10: The Dry. 3.20: The Dry. 3.30: The Dry. 3.40: The Dry. 3.50: The Dry. 4.00: The Dry. 4.10: The Dry. 4.20: The Dry. 4.30: The Dry. 4.40: The Dry. 4.50: The Dry. 5.00: The Dry. 5.10: The Dry. 5.20: The Dry. 5.30: The Dry. 5.40: The Dry. 5.50: The Dry. 6.00: The Dry. 6.10: The Dry. 6.20: The Dry. 6.30: The Dry. 6.40: The Dry. 6.50: The Dry. 7.00: The Dry. 7.10: The Dry. 7.20: The Dry. 7.30: The Dry. 7.40: The Dry. 7.50: The Dry. 8.00: The Dry. 8.10: The Dry. 8.20: The Dry. 8.30: The Dry. 8.40: The Dry. 8.50: The Dry. 9.00: The Dry. 9.10: The Dry. 9.20: The Dry. 9.30: The Dry. 9.40: The Dry. 9.50: The Dry. 10.00: 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Self in life

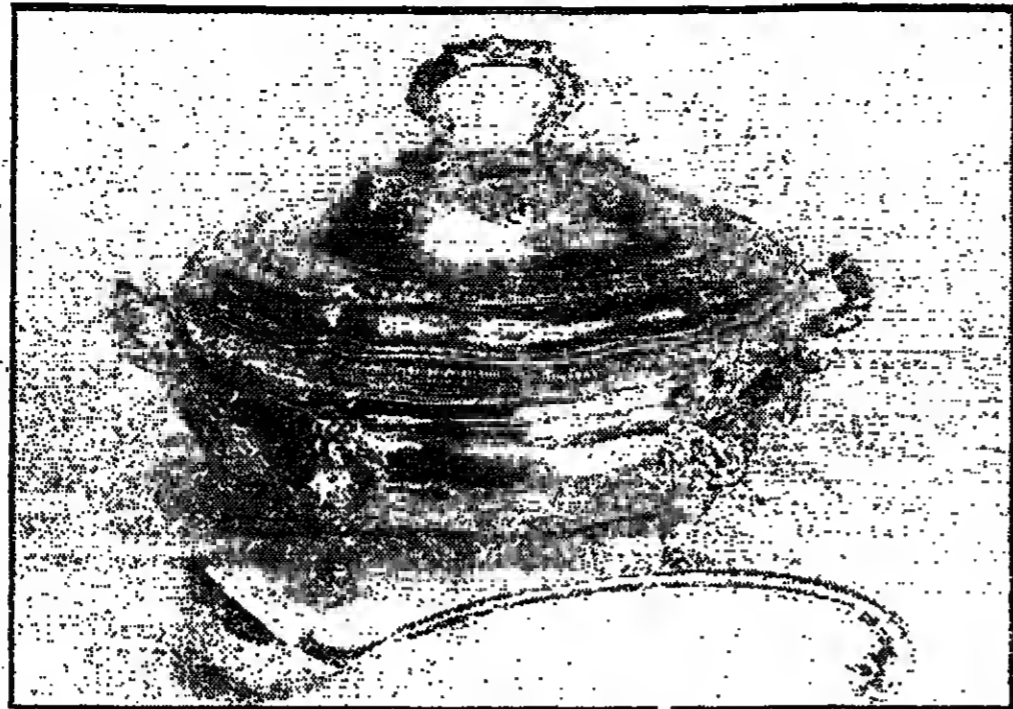
COLLECTING/LEISURE

Who ran off with the pudding plates?

BY JANET MARSH

SOTHEBYS seems all set to establish a new record in the silver market when it sells a dinner service by the 18th-century British master Paul de Lamerie on November 22. Comprising more than 10 pieces, it is likely to realise well over £m.

Eighteenth century services of this size rarely come on the market and the appearance even of individual items by de Lamerie is notable. In June, for instance, a pair of ornate de Lamerie cake baskets from the Florence Gould collection were sold in Monte Carlo for more than £200,000.



A Paul de Lamerie soup tureen

Lady Mary seems to have been short on domestic virtues. She was reckoned a witty, waspish, independent spirit who, said one contemporary, "had lit a little candle to the Devil."

The service must have provided as glittering a display as the most ostentatious Georgian nobleman could have wished. It remained in the family of the Earls of Thanet until the line became extinct in 1849, and eventually passed by descent to its last owner, the late 3rd Baron Rothschild.

It is hard to imagine who could afford such lavish show for his dining table today, or to predict who the new owner may be on Thursday week. Will the splendour of the Thanet service be introduced after considerable controversy? First, a higher appellation of Grand Cru was decreed last year to 25 hillside vineyards. A further eight or 10 are likely to be announced shortly. It is feared in some quarters that this may spread to many other named vineyards lacking the essential soil and site requirements.

The right way to conserve

CONSERVATION is booming. Lobbies, the Llangollen-based seed company, reports that a survey commissioned concerning the interests of gardening clubs and societies indicated that conservation of the natural habitat and its dependent wild life was one of the major priorities of its members.

The same post brought the autumn newsletter of the National Council for the Conservation of Plants and Gardens and the information that there are now 210 national collections of plants in the UK.

I have also just received the report of a Department of Transport inquiry about the proposed construction of a summerhouse to which objection had been raised because it was thought to be out of keeping with the landscape.

These are all expressions of the same awareness of our environment and concern to preserve it from pollution and deprivation of any kind. Dobbies' inquiries were inspired by their recent inclusion of British wild flower seeds in their catalogue.

I have an ambivalent response to this kind of conservation. I love wild flowers and am completely in agreement that they should be preserved in every sensible way but I am not sure that the best way is to encourage people to grow them in their gardens.

No such doubts cloud my approval of the National Council's concerns, particularly with exotic and garden varieties which have no natural habitats in Britain.

The intention is to preserve a few clumps of species and varieties which might otherwise become extinct in Britain and, in the case of garden varieties, that could also mean totally extinct the world over.

There is a remarkable collection of michaelmas daisies made by a Miss Allen. Over the years she amassed more than 400 varieties and that a time when michaelmas daisies have suffered a huge decline in popularity because of the attacks of mildew and a zearonid mite which disfigures the foliage and distort or abort the flowers.

But both mildew and mite are succumbing to new chemical treatments and there is every reason to hope that michaelmas daisies will soon be as popular as they were a generation ago.

Coming finally to the tale of the supposedly objectionable summerhouse, it is the conservationists who have proved to be wrong. The summerhouse, somewhat in the style of a classical temple, was required as the focal point in a vista planned for a man-made landscape bordering Coniston Lake in Cumbria. Planning consent was refused on the ground that the structure was out of character with the traditional Lakeland houses and landscape. An appeal was made to the D. of T. and an inspector sent to Cumbria.

GARDENING

ARTHUR HELLYER

Mr R. G. B. Lytton made a judgment in favour of the landowner so sensible end so well argued that it is worth quoting in part. He did not deny that the building was out of character with the site but he made a virtue of this by pointing out that it would be largely hidden by a semi-circle of trees and so could only be glimpsed as an interesting incident in the landscape.

For the walker on the footpath it would be a source of pleasurable surprise and it was the half hidden glimpse of the unexpected that constituted much of the merit of the proposal.

A typical Lakeland vernacular structure, while admirable in itself, would not carry this element of surprise.

Three cheers for such an admirably broadminded bureaucrat.

Why Alsace is unique

THE UNIQUE and varied wines of Alsace are surely the most undervalued of all French wines. They suffer from a rather false competition with German wines, and generally did not result in much of the "noble rot" needed for such wines. I sampled several during my recent visit, and they were immensely attractive, as indeed were the more frequently encountered 1983 Vendange Tardive examples.

Within Alsace, the Riesling is indisputably regarded as producing the finest wine. It has a delightful, ample bouquet, fruity yet not overtly sweet, and a full but elegant body. Much depends, however, on its source. On the Vosges slopes, where the soil is granitic or chalky, it has something of a grapey, muscat aroma and takes more time to develop than the Riesling from the flat Rhine plain, where there is a large proportion of sand in the soil.

Many of the superior wines will bear not only the grape name, but also Reserve Personelle. Particular or perhaps a vineyard name that may well be the grower's/merchant's best wine.

Outside Alsace it is the Gewürztraminer that is most closely associated with the region and is the best seller in the finer varieties.

Produced mostly on the lower slopes of the Vosges, where the soil is granitic, it has a more powerful, decided flavour than other Alsace wines. In my view this is the one wine to drink with smoked salmon and other smoked fish. When young it can be too aggressive, but when developed from a fine vintage as 1975 and perhaps in time from 1983, it can be superb.

Much lighter is the Pinot Blanc, an excellent but expensive aperitif or first wine in a meal where fuller-bodied wines are to follow. Although like the Riesling, Gewürztraminer and Sylvaner, it now occupies 20 per cent of the whole vineyard, the proportion is increasing. Another 20 per cent is occupied by the Muscat. Tokay d'Alsace and Pinot Noir varieties. In Alsace the Pinot is usually served as an aperitif but for my taste it is too obviously grapey and assertive. On the other hand, I revere a commonly heeded view that it is a "ladies wine" even though my wife enjoys it.

If the EEC had had its way the name Tokay would have been banned from Alsace wine labels and replaced by Pinot Gris. Although, of course, it is nothing to do with the Furmint-based Hungarian wine. However, the Alsations fought back and only since this last July it may be labelled Tokay Pinot Gris. In my opinion, it is a much more distinctive wine than the Italian Pinot Gris, so popular there, and I tasted some excellent examples, with fine bouquet and round, fruity flavour, but it needs several years' age.

Alsace wines share the misfortune that affects many other fine whites. They are drunk too young. As 1984 prospects are very poor, many of the mill '83s may be opened without delay. But as the miller '83s are often heavy and lacking style, the better bet is the '84, many of which are already showing very well and some '79s too but '78 is generally to be avoided.

For future drinking a case of Pinot Blanc and Gewürztraminer would be a very good investment.

WINES

EDMUND PENNING-ROWSELL

are no vins de table and hitherto only one AC—Alsace—two innovations have recently been introduced after considerable controversy: First, a higher appellation of Grand Cru was decreed last year to 25 hillside vineyards. A further eight or 10 are likely to be announced shortly. It is feared in some quarters that this may spread to many other named vineyards lacking the essential soil and site requirements.

The basic Alsace blend is the Edelzwicker, which means that it is made from "noble" grapes, though it may include the "non-noble" Chasselas, while the other major component, the Sylvaner, is only marginally "noble" the basic AC wine.

The Germans buy the Edelzwicker in great quantities, and this makes them by far Alsace's best customer: 189,000 hl in 1983, compared with 17,000 hl for the runners-up, the Benelux countries.

The vineyard area, sheltered by the Vosges, is quite small, with 12,300 ha. Yet ten years ago it was only 10,000 ha, and the increase has caused quality and sale problems. The normal permitted yield per ha is high: 100 hl, plus a possible 20 or 30 per cent, as was allowed in the record 1.5m hl 1982 vintage. The average is now 900,000 hl, accounting for 20 per cent of French white AC production. It exports a respectable 34 per cent (255,000 hl) of total sales, and these have tripled in the last decade.

In fact the Alsations have a problem in exporting their finer wines and the home market is flat. The potentially excellent U.S. market accounted for a mere 5,650 hl last year. Apparently, they are confused there with German wines, and suggestions are even heard in Alsace that the similar bottle shape should be changed.

Partly to widen the appeal the Alsace wines, where there

Similar comments are made within Alsace about the Selection de Grains Nobles. As they must have a minimum strength of 15.1 degrees for the Riesling and no less than 16.4 for the other two varieties, they are

Off the back of a library

YOU CAN tell stolen books from their title pages. If a name has been cut away at the top, it does not necessarily mean that the signature was a famous one.

BOOK COLLECTING

WILLIAM ST CLAIR

I possess a two-volume French work with neat paper patches where a former owner stamped his coat of arms. Since the books evidently strayed from his library at about the time of the French Revolution, and his name is unknown, it is hard for me to arrange restitution.

A thief at the London Library some years ago tore off the marked bindings of the books he was removing, intending to sell them later in new cloth. Fortunately he was a devotee of detective fiction. He left the broken-off boards lying about at the scene of the crime, so advertising the fact that something was amiss, which might otherwise not have been noticed for some time. He was apprehended and the books recovered.

In the middle ages, fixing the books to the shelves with iron chains was a normal precaution. But this makes for heavy reading. The founder of New College, Oxford, outdidthe Labour Party's pronouncements on the security of nuclear weapons, established a triple-lock system. Each Fellow of the College was given a portable small key, known as a cleekeet, but the two other locks in the library door could only be turned by keys in the possession of the dean and bursar. With such immunities in the way, the urge to read could often be overcome.

FOUR SIXTYV pronounced accommodation from all party activities in this world and the next for anyone who did not return missing books to

France, supplemented his income by selling volumes from the Bibliotheque Nationale, some of which were returned by the British Museum after his conviction. Who will guard the guards themselves, eh Jeeves?

Borrowing is of course an entirely different matter. But it is surprising how many decent men and women — who would not dream of using your telephone without leaving 10p on the table — are unembarrassed to display borrowed books on their shelves.

The Archbishop of Canterbury's Library at Lambeth contains a number of valuable manuscripts sent there on temporary loan from Constantinople and Jerusalem at the time of Lord Elgin's embassy in order to be collated. Only fools lead books, a Times reporter was told when visiting a country house library in England — all these books once belonged to fools.

Grolier, greatest of renaissance book collectors, had one aim: a book bindings were decorated with the magnificent motto *Io Grolieri. Et Avicorum* — "This book belongs to Jean Grolier and his Friends" — enough surely to shame the meanest spirit.

His friend Maioli was more concerned about enemies, stamping his books with the unpronounceable Latin motto *mea mihi non me mihi*, which I take to be Latin for "No, no, no, no, they can't take that away from me."

But you may prefer the more direct approach of a friend of Sir Edmund Gosse whose bookplate read simply "This book has been stolen from Lady Dorothy Nevill."

The courage of Connors

IT TAKES a special kind of courage to be a public entertainer. A singer, writer, an actor — and certainly a professional sportsman — is only as good as his last performance. Every time he steps into the spotlight, he puts his reputation on the line.

The majority of athletes find it difficult, if not impossible, to make a total commitment every time they perform. It stems from a basic insecurity and carries over their preparation. There is a rationalisation, often unconscious, that goes something like this: "I give 100 per cent of myself in training and then lose my match, there is no future for me; some day I can always decide to work a little harder, then I'll be a winner."

Of course, they are fooling themselves. The rare ones who can make a total commitment are the champions. Jimmy Connors certainly is one. Watching him again at Wimbledon's Benson and Hedges Championship this week, as he climbed out of a sick bed to fight both the "Bu and the talented Frenchman, Henri Lecointe, I was reminded of a remark he made in Philadelphia in January 1977.

Having added a second U.S. Open the previous September in his 1974 Wimbledon title, Jimmy was asked what his ambition was. After a moment's thought, he replied: "I would like this to be remembered as the Connors era."

TENNIS

JOHN BARRATT

Remarkably, almost a decade later, it still is. Having watched helplessly as the brilliant Bjorn Borg soared past him like a comet to unprecedented heights before falling to earth in a burnt-out shadow, Connors, at 32, is playing as well as ever. His 105th tournament win, an open tennis record, came in the Seiko event last month in Tokyo, and it was revealing to watch the manner of his demolition of Ivan Lendl 6-4 5-6 6-0 in that final.

The contrast in commitment was stark. Connors—as he always has done, since as a lad, he was convinced by mother Gloria that he was good enough to take on and beat the entire world—set about the final set with a fierce intensity that intimidated Lendl totally. The Czech was looking for that rational excuse—just as he had begun at the U.S. Open last year, when Connors had come back from a point that would have put him two sets to one down to win his fifth title.

Then it had been the conditions, the blistering heat and a gusty wind that Lendl could not overcome. Indoors in Tokyo, it had to be a "bad" decision. The fact is that

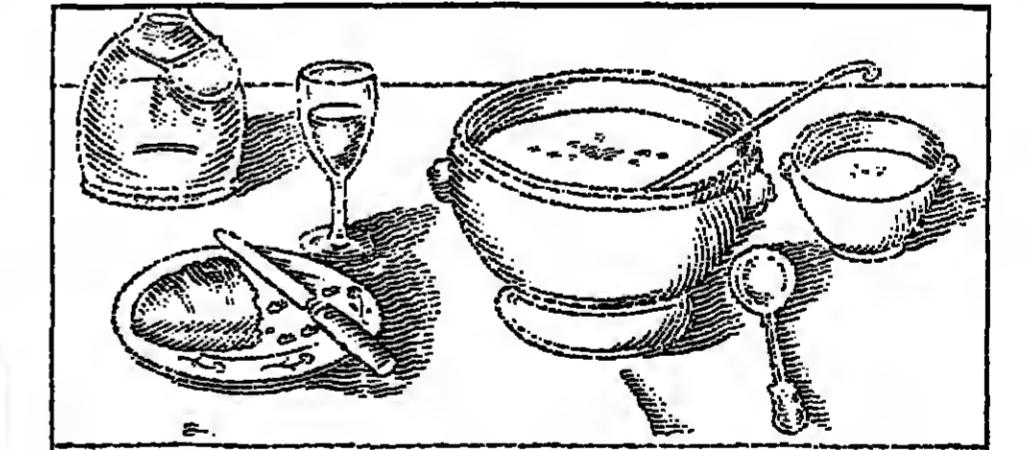
Connors, like Borg at his peak, is always ready to put his whole life on the line in every match. Lendl is not.

Seeing the transformation in John Lloyd's attitude at the U.S. Open, we all hoped that, at last, the talented British number one had found the courage to make the final commitment — something he had failed to do at the end of 1977 after coming within a few games of winning the Australian Open from a cramp-stricken Vitas Gerulaitis.

Back in 1972, when they had first met in the final of the BP Cup in Torquay, Lloyd had beaten the American convincingly. Since that time, though, Gerulaitis has risen as high as number four in the world, and Lloyd's best has been the mid-20s.

John's Australian coach, Bob Brett, knew at Flushing Meadow that the testing time would be the six months following that magnificent run to the quarter-finals of the U.S. Open. That is why the manner of John's defeat by Peter Fleming was disappointing. Despite a good start and a 3-1 lead, Lloyd appeared unable fully to commit himself.

If this sounds over-critical, it is not meant to denigrate John's fine achievement. I still believe that, if he will continue to accept Brett's refreshingly honest analysis of what is required, we could yet see the best of Lloyd.



With the consommé, a medium wine is clearly most palatable.

Serving wine with a consommé is a little like serving a drink with a drink.

What then do you provide with this delicious, but troublesome first course?

A superb Amontillado such as Osborne Coquinero is the answer.

Dry, but not too dry. And full bodied to complement the thinness of the soup.

Coquinero is one of a range of great sheries, carefully developed by Osborne over 212 years.

You can delight your guests by serving one instead of a conventional wine with many of the world's great dishes.

May we suggest you try it next time you have people round?



Cutting your jobs down to size



McCulloch chainsaws make woodcutting simple and easy. There's one in the range to suit you whether it's for cutting logs, fire-wood or leaving lines. Powerful petrol or electric engines combine with McCulloch's renowned reputation for safety to give you a chainsaw that's made for the job.

Call out the coupon for your free colour catalogue and the location of your nearest McCulloch stockist. It's a short cut to easy woodcutting!

Form with fields for name, address, and phone number, and a 'SEND' button.

Advertisement for Westwood Tractors featuring a 'MOW NOW PAY LATER' offer. Includes details about financing, interest-free offers, and contact information for Westwood.

Advertisement for Tissot Etchings exhibition until 30 Nov. Located at William Weston Gallery, 7 Royal Arcade, Alhambra St W1. Tel: 01-499 0722.

Advertisement for L'Artiste Assouffé Restaurant Français. Located at 141 bon Marche, offering a perfect day's outing for the family. Reservations 727 4334, 122 Kensington Park Rd, W11.

Advertisement for Personal services, offering a unique opportunity for a career change or new start.

Saturday November 10 1984

Post-election blues

FOR THE uninitiated, the churlishness of financial markets is a never-ending source of amazement. Instead of celebrating President Ronald Reagan's landslide re-election with a roaring rally, the U.S. bond market plunged on Thursday, the dollar fell to its lowest level since the summer and Dow Jones Industrial Average seemed to lose all the impetus which appeared to be pushing it towards the records it had set exactly a year ago.

In London, the sharp recovery of sterling, a cut in interest rates, a bullish forecast from the Confederation of British Industry and the prospect of a settlement in the Jaguar pay dispute, all left the equity and gilt-edged markets below their levels a week ago. Even the evidence of growing disillusion with Mr Arthur Scargill among the miners and in the Labour Party was shrugged off with indifference by the markets.

For professional market operators there is nothing mysterious about such apparently perverse behaviour. Sell on the good news and buy on the bad is the oldest adage in the stock-market's lexicon. The American election was certainly one of the most thoroughly discounted events in modern political history. At the more parochial level, it is looking increasingly possible that Mr Scargill's vaunted class war will end in the greatest defeat for the trade union movement since the miners' strike and General Strike of 1926. Granted that developments such as these have already been taken into account in the present level of securities prices, the hesitant behaviour of the markets still raises a worrying question.

Stocktaking

If so much good news has already been discounted, what further improvements will be required to drive stock and bond prices beyond their current levels? The repercussions of this question go well beyond the investment community. A further significant fall in interest rates is the key to the success of macroeconomic strategies being pursued in Britain and much of Europe. Without help from the bond and money markets, the governments of Europe could find themselves squeezed ever more between their determination to eschew fiscal reticence and the demands for urgent action on unemployment. Even in America, where the benefits of lavish deficit spending appear to be running out, the Reagan Administration could soon face deteriorating labour market prospects again, unless interest rates can be prevented from rising.

When viewed against this background, the markets' recent lack of enthusiasm may denote something deeper than the usual contrary responses. President

Reagan's re-election, for example, is turning out to be an occasion for stocktaking rather than euphoria. The fact that the Presidential landslide failed to secure a conservative sweep in Congress may account for part of the listlessness; the hickering between Capitol Hill and the White House may if anything prove more disruptive in the second term of Mr Reagan's presidency than in the past four years. But another aspect of Mr Reagan's re-election may be even more sobering, both psychologically and politically.

The four years which Mr Reagan has secured will provide the real test for his conservative philosophies and his experiments with economic policy, just as the second term of the Thatcher Government is the period by which history will judge the change in Britain's political and economic direction. In a sense, Mr Reagan's re-election marks the end of a cheerful prologue; the real drama, which will reveal the success or failure of his underlying strategy, is only now about to begin. Similarly, in Britain, an honourable settlement of the miners' strike, or even an outright victory for the National Coal Board, will not guarantee success for Mrs Thatcher's policies; it will merely create conditions for the strategy to have a chance of succeeding.

In order for Mr Reagan, Mrs Thatcher and the other world leaders who broadly share their conservative economic philosophies to bring their strategies to successful conclusions, many more challenges will have to be faced — and the inclination of governments to rest on their laurels after they have achieved electoral triumphs justifies misgivings about the future of the U.S., Britain or the world economy.

If Mr Reagan's election victory convinces him that there is no need for radical surgery on his budget deficits, the danger of international economic instability will grow in the years ahead. At the same time, the domestic growth of the U.S. economy will eventually be choked off by high interest rates and an overvalued dollar, or by a loss of confidence and the threat of inflation.

In an ideal world, the baton of economic leadership would be taken over by Europe and a serious world slowdown could be avoided. Unfortunately, neither Britain, West Germany nor other European countries have yet made sufficient progress in improving the structure of their domestic economies to ensure that such a transition could be effected smoothly or safely. Until politicians on both sides of the Atlantic grasp many more political nettles, the markets will reserve judgment on their experiments with conservative economics.

The week the pressure really mounted

By John Lloyd, Industrial Editor

THE PRESSURES building upon the National Union of Mineworkers, and on its striking members, are now of the order that would have persuaded any other union leadership to call off the action weeks, if not months, ago. The NUM leaders know this, and are proud of it; but their pride may break their union for a very long time to come.

The union is not the only one of the parties whose pipes are squeaking: the listlessness and length of the dispute is grinding down all the parties—Coal Board, Government, TUC and Labour Party. But in the shifting war of position and propaganda, the NUM is seen to be, and feels to be, under the most sustained attack: it is taking the salvos, and can only intermittently hit back.

The drift back to work is the most obvious and serious of pressures. At an area directors' meeting at NCB headquarters on Thursday, the fissures in the upper reaches of the Coal Board were closed as all agreed that the "surge" over the next week represented a steep change in the pattern. More than 2,100 men have turned up at pits for the first time this week: the area directors, including those who have in the past been (rightly) sceptical of the drift's

effectiveness, believe next week will see an even bigger surge. In Yorkshire, the biggest and among the most militant of areas, 271 men are now working; in Scotland, 470; in South Wales, 33, in the north-east, 89. In the North Derbyshire area, more than 1,000 men returned this week, bringing the total to well over 2,000.

The proportions are still quite small, of course: 2.5 per cent of all NUM members in Scotland, 0.4 per cent in Yorkshire, 0.2 per cent in the north-east, less than 0.1 per cent in South Wales. NCB management and NUM both agree that the period after November 19—the last qualifying date for the £850

Christmas bonus—will probably mark the end of the surge. But after that, the "drift back" though slower, will probably continue at a higher level.

As miners return, so the writs pile up. The trickle of court actions, begun in May, now really has turned into a flood. The action in May was taken by Nottinghamshire miners—the centre of resistance—against the area union, and succeeded in getting the strike there deemed unofficial. In July, the Nottingham miners obtained an order against the new disciplinary rule (rule 51) brought in by a special delegate conference of the NUM, and the South Wales NUM was fined £50,000

for contempt of an order to cease picketing—£707,000 of its funds were later sequestered.

In August, Ken Foulstone and Andy Taylor of Yorkshire's Manton pit began their action aimed at getting the area and national strike declared unofficial: they succeeded on September 22. On October 1, Mr Arthur Scargill, the NUM president, was served with a writ for contempt of that judgment on October 10, the union was fined £200,000 for the contempt (which the executive had endorsed), and Mr Scargill £1,000 (later paid anonymously).

So far in November, Mr Foul-

stone and Mr Taylor have begun action to make the members of the executive "jointly and severally" responsible for the £200,000 fine: some of the NUM's £9m assets, shifted abroad, have been discovered by the sequestrators and frozen; and Mr Foulstone and Mr Taylor have begun a further action to have the Yorkshire NUM put into receivership.

TUC leaders, meeting on Wednesday, were united in wishing for a settlement—but in nothing else. The left-wingers stick dogmatically to their private misgivings to the line of total support for the miners' committee and right are looking for solutions but are running up against

the unwilling walls of the hostility of the NUM leaders to TUC intervention. Mr Neil Kinnock, the Labour leader, earlier in week faced down his party's MP by refusing to be "bounced" by appearing at the rallies, and referring to the miners dispute as a "Gallipoli". Yesterday, at the National Graphical Association conference, he said easily "we'll have wait and see" if the strike is crumbling.

The tone of the rallies now being conducted in the main striking coalfields by NUM leaders is thunderingly militant: Mr Peter Heathfield, the NUM general secretary, has urged as just as hard line as his president, as if to dispel the lingering hopes in many quarters that he was the man to find a settlement.

The essence of the positions of the main parties appears to be this: the will to find a settlement is absent from all but the TUC and the Labour Party, and they are presently powerless. The NUM leaders will not, so far as it lies within their power, compromise or allow the strike to crumble: the Government, and the Coal Board will continue with the heavy shelling, the battered, impoverished miners will yield ground only inch by inch. It is not over yet.

'WE'VE GOT OUR BACKS AGAINST THE WALL NOW...'

at Woolley colliery—Mr Scargill's old pit. "But it's very hard now. We tell all the lads just hold out until next week and we'll be all right."

Mr Alan Cummings, NUM branch secretary at Eastington colliery, in Co Durham, says: "It is a very difficult period now—but once we're through Christmas and into the New Year it should swing back our way."

Even for those most active in the strikes, though, keeping up even this level of limited optimism is hard. Mr Dave Crowther, a left-winger from Warsop colliery in North Derbyshire, still says the miners will win, it will just take a little longer—but it's clear he's only half-hearted.

As at Shirebrook, Warsop—a hamlet pit in a barometer coalfield—has this week seen men go straight from the picket lines back into work.

"A lot of men have come to apologise to us before going in," says Mr Crowther. "Their hearts are still with us. Some have been physically sick crossing the picket

lines. We sympathise with them. We cannot call all of these people scabs."

The atmosphere in the area is now different. "The tide has now turned in the community," says Mr Bill Steel, pit manager at Shirebrook. "There are whole streets and areas in the town where the working miners are in a majority."

Mr Crowther says: "Initially, the few working miners at Shirebrook and Warsop slinked around, and did not drink in the pubs. But now they are boasting about it, and have even taken some of the pubs over."

"In the pit itself we hear about how new returners are having to know to 'veteran' working miners."

In one reported incident, a miner who had been a strong supporter of the strike returned to work—and was beaten up in the shower by some of the veteran workers, who have had months of abuse and violence as they went through the pickets. NUM leaders are trying to stem the tide. "After the horse has bolted," says Mr

Crowther. Even though the numbers returning are still small, the NUM leaders may have their work cut out to keep plugging the breaches.

Working miners' leaders claim that three union branch meetings in the Barnsley area—two white-collar, one manual—have passed resolutions calling for a return to work on Monday, and that at Dearne Valley, near Barnsley, about one third of the 380 NUM members there have asked the NCB about details of how to get back into work.

Forty men at Celynen South, one of South Wales' least hard-line pits, have signed a petition calling for a return, and will meet on Monday to discuss it. Moves are under way on the area executive to try to get the strike called off.

"This is a defeated strike," says one lay official. "The leadership have completely lost touch. The last national delegate conference was completely devoid of ideas. Scargill just says 'send me your dollars'—and I will convert them."

But not everyone is so

pessimistic. One Selby miner said that power cuts were in reality a lot closer than the Government was claiming—and that when they came, the NCB would be forced back to the negotiating table.

Most are aware of how powerful an emotive force, and how efficient a mechanism, the working miners' groups have become. "The Board and the back-to-work people have done their homework," admits one local strike leader.

Mr Roland Taylor, ex-officio leader of the working miners in Derbyshire, agrees that his committee and Mr Ken Hoses, the NCB's area director, have worked closely together. "Shirebrook has been a well-oiled team." And the strategy is spreading: "All of the other area management are learning from Derbyshire's tactics," says Mr Crowther.

"The working miners will be in a majority by Christmas," says Mr John Blessington, chairman of the national working miners' committee. "It's been hard now, with Christmas coming," says one Yorkshire miner. Mr John

Heaton, an electrician at Kellingley colliery, acknowledges this may be the hardest period of all: "How do you tell your children that they're not going to get any Christmas presents?"

How strong such pressures will be, which way the miners will go, is not yet clear. "It's true the next two weeks will be crucial," says Mr Jim Ogilvie, a branch committee member from Bates colliery in Northumberland.

Mr Cherry said yesterday: "I was picketing this morning at Denby Grange, where they have 15 in. I got to talk to two of them."

"They said, we're right fed up, the talks have broken down there's nothing else doing. I said, for God's sake stick it out—just hold on a bit longer. But they walked on in."

"We've all got our eyes on north Derbyshire now, that all crumbles then it'll get harder."

"It's like in the trenches in the 1918 war. We've got our backs against the wall now."

David Goodhart and Philip Bassett

Efficient use of energy

From the Managing Director, Marketing, British Gas Corporation

Sir,—British Gas endorses Mr J. Wallace's advocacy (November 1) for a positive energy conservation policy. It is true that gas has been used by many more customers in recent years, not simply because of the advantages of gas as a fuel but also by using modern gas appliances, energy is used more efficiently.

We have always tried to ensure that natural gas is used in applications which can take full advantage of the special qualities of the fuel and within these "premium" markets have invested in a wide range of measures to encourage the more efficient use of gas. Mr Warren (November 5) has referred to the so-called demand management option to meet market requirements in the 1990s, presumably as an alternative to the purchase of Slespner gas. The argument is that by encouraging people to use less we need to buy less. This however, must be looked at from the point of view of total energy demand, not just one particular source of energy.

Competition between fuels and fuel substitution has an important role to play in encouraging efficiency and efficiency in running a business. In end use of the fuel. Simply arbitrarily reducing demand for one fuel could result not in increased efficiency but raising demand for alternative fuels which may not give rise to energy saving. The great increase in gas fired central heating over the past ten years, when over 6m more homes have been heated to higher standards, has not given rise to an increase in total energy usage in the domestic market. Gas alone in the domestic market are already 6 per cent lower than would have been expected by the increase in gas appliances in use since 1979 and our forecasts of demand

assume the continuation of a substantial degree of demand management by our customers into the future.

The Corporation rightly promotes sales to markets where the use of gas brings economic energy saving or environmental advantages. The emphasis is firmly on efficiency in use. In the industrial market we offer specialist training in the efficient use of gas through the School of Fuel Management, and we provide technical consultancy services to industry and commerce. Our gas energy management award scheme has encouraged energy savings of over 20m therms each year—a result pointed out by Stanley Jevons over a century ago. This is not to deny energy efficiency on the ACEC definition; it is only to point out that pursuing it is complementary to, not in substitution for, seeking to maintain ample supplies of low-cost energy.

Andrew Warren, director of the Association for the Conservation of Energy, November 5, has also got it wrong. He is not justified in generalising from what he knows about measures taken by some American electric utilities in despair over the funding problems created by the hostile regulatory climate in which they have to operate. Some of them apply these measures reluctantly. Others—more far-sighted—decline to put pressure on customers to curb demand, believing it is their job to give the customer what he wants, not dissuade him from wanting it.

(Dr) L. G. Brookes.

16, Ipswich Road, Bournemouth, Hants.

Maintaining supplies

From Dr L. Brookes

Sir,—Mr Jim Wallace, MP (November 1) seems to be among those who regard energy conservation as some kind of holy grail. If ample supplies of gas and competition between the energy industries lead to lower energy prices, all types of consumer and the economy in general will benefit; and if—as is mostly likely—energy consumption rises, it does nothing to detract from that benefit.

In its final report, the Advisory Council on Energy Conservation defined conservation as using energy more efficiently to reduce cost; and it extended

Letters to the Editor

the definition to include substituting cheaper for dearer forms of energy. Very few economists would disagree. Genuinely cost-effective ways of improving energy efficiency are likely to increase demand, not reduce it—a result pointed out by Stanley Jevons over a century ago. This is not to deny energy efficiency on the ACEC definition; it is only to point out that pursuing it is complementary to, not in substitution for, seeking to maintain ample supplies of low-cost energy.

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(Dr) L. G. Brookes.

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Added value and productivity

From Mr E. Wood

Sir,—Edwin Whitting (October 30), is right in advocating the use of added value as a measure of output in assessing productivity. But he is not quite right in saying that the ratio of employment cost to added value is as good a

measure of labour productivity as any.

The fallacy of using this ratio to measure productivity can be explained with an example. If a company generates £10,000 of added value per employee and its employment costs are £8,000 per employee, then the ratio of employment costs to added value will be 80 per cent or 1.67, depending on whether the ratio is expressed as employment costs per added value or as added value per employment cost. If this company introduces better products or services and then generates £12,000 of added value per employee but also increases its wage costs per employee to £7,200, the ratio will not change but few people would argue that productivity was unchanged. Alternatively, if the added value per head falls to £9,000 and, at the same time, employment costs per head fall to £5,400, the ratio will not change but most people would recognise a deterioration in the situation.

The best available measure of manpower productivity is added value per man hour provided you also take account of the amount of capital employed per head. Of course, for comparisons over a number of years, adjustments may have to be made for inflation but this is not too difficult. For comparisons of productivity between companies in the same time period, added value per man hour is a much better measure than added value per unit of employment costs.

Both ratios are important but the ratio of employment cost to added value is a measure of how the wealth created is shared out rather than a measure of manpower productivity. It behoves companies to

monitor both ratios which can sometimes tell you more about business performance than the traditional ratios of return on capital, profit on sales, etc.

E. G. Wood, 27, Towncliffe Lane, Morpale Bridge, Stockport, Cheshire.

Unneighbourly alarms

From Mr S. Lee

Sir,—Mr Safford (November 2) may regard the installation of burglar alarms as socially desirable. On a recent visit to England, I stopped in Richmond with relatives, and judging by their experiences with the false alarms from neighbours' and of the night permitting burglary is infinitely more neighbourly. From what I heard the local police must spend more time investigating false alarms, and tracing key holders to gain access to unoccupied houses to turn off alarms than ever they do in investigating or preventing housebreaking.

Stephen Lee, 5563 BM Westerhooen, The Netherlands.

Interest on life policies

From Mr P. Richer

Sir,—I was pleased to read that Guardian Royal Exchange is following the example of Lady's Bank and is paying beneficiaries interest on the proceeds of life policies in the interval between the death of the policy holder and the time settlement is made.

Well, not quite exactly. The rule is that interest will in future be paid only on policies taken out after October 31—not those policies in force at that date.

This means that on average, with life expectancy as it is (most people die between 70 and 75), GRE will not be paying a penny in interest for some 20, 30 or even 40 years from now.

I am not so cynical as to think the GRE announcement an empty publicity gimmick since it is a small step in the right direction—if not quite a giant leap for mankind—but it sadly underlines the need for buyers of life assurance to study the fine print in offers made to them.

Percy Richer, Upton Britton & Lunn, 9, Leigham Hall Parade, Streatham High Road, SW16.

Bank loans for expansion

From the National Chairman, Union of Independent Companies

Sir,—A significant number of our established manufacturing members are reporting increasing order books and the opportunity for expansion. Regrettably, many are finding that banks who only a few years ago were happy to advance loans to assist retrenchment and consolidation (since repaid), are now reluctant to make new loans to assist this growth.

Isn't it sad that at a time when independent manufacturing companies are geared to expansion, they are being hampered by a banking industry which seems to prefer contraction. Roger W. Harris, 45, West Town Road, Backwell, Bristol.

Charges for telex

From Mr C. Dauris

Sir,—I share the concern of Mr Mark Censick (October 31) about the increases in charges for telex. Although I should be interested to know how British Telecom can justify such increases, I would rather that it could explain to a non-technical person what is so special about a telex line that necessitates its costing about four times as much as a telephone line. Colin Dauris, James Dauris & Co, 27, Drusdale Street, N1.

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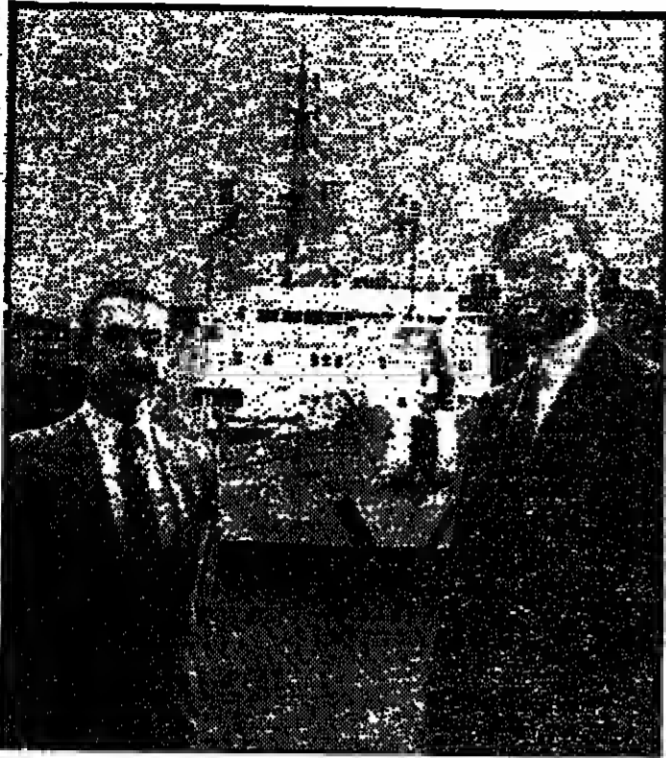
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Self in 1980

"I'VE GOT my feet in the fire now and if I didn't feel we could bring it off I wouldn't do it." Thus Ken Chapman sums up the challenge facing him...

SWAN HUNTER Why three men want to buy a shipyard

By Andrew Fisher, Shipping Correspondent



Dr Chapman (left) and Mr Marsh, with Swan Hunter's latest completion, an £18m ship for Cable and Wireless, in the background

Through the morning drizzle of a grey November day the shiny white superstructure of the Atlantic Conveyor container ship lights up the straggling yard...

Yet Dr Chapman and his colleagues, who have all spent their lives in British shipbuilding, are optimistic. They believe that the Wallsend yard has made huge strides in recent years...

And all three men itch for the chance to run their own operation. Dr Chapman has left British Shipbuilders, which owns the yard and is preparing it for privatisation...

Dr Chapman, an energetic fast-talking Tyne-side aged 45—he was born in South Shields and joined the yard as a 16-year-old apprentice—admits it is the riskiest thing he has ever done...

In the North-east, Swan Hunter has had its share of these. When the industry was nationalised in 1977 the yard employed some 11,000 people...

So Dr Chapman and his colleagues are concentrating on warships. HMS Ark Royal, a £250m aircraft carrier, will be finished in mid-1985. Two other frigates are taking shape in the yard...

has yet to be formally put up for sale: only the small Brooke Marine yard in Suffolk has got this far.

"We're satisfied there's a good future on Tyne-side, otherwise we wouldn't do it. As for the views of the workforce—they know us—we've been involved in shipbuilding all our working lives."

But the Georgie workforce also knows that some job losses are inevitable. This week they voted to impose an overtime ban to protest at possible redundancies.

Mr Marsh says, however: "Our policy is not continually to contract, until we're contracted out of existence—we'd like to see expansion."

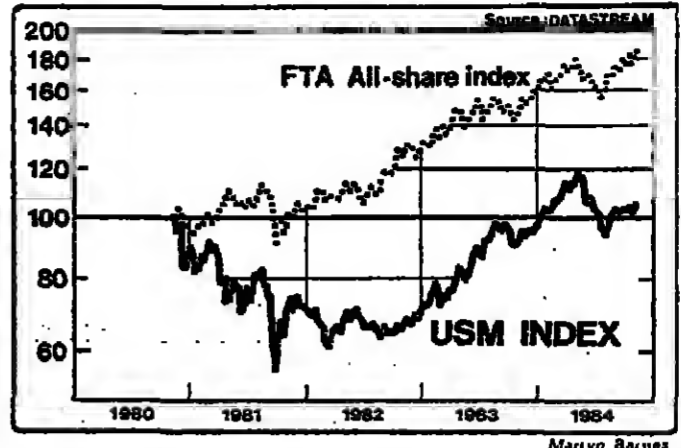
Since the losses, which in the financial year to March 31 1984 were down to £7.5m from £38m, stemmed from merchant contracts (where the cost gap with the Far East is huge) all three men look to UK and possible foreign naval orders for short-term future success.

Union representatives have obvious respect for the trio, but are still hostile to privatisation. But, said Mr Bob Welford, secretary of the Federation of Trade Unions at the yard, "It is ultimately the men who will decide. If it's between the dole and privatisation, it depends on what other bids are made. If there's no alternative to privatisation, Chapman and Marsh would be our selection, depending on what they come forward with."

Britain's Unlisted Securities Market

Growing up exuberantly

By William Dawkins



AS THE Unlisted Securities Market exuberantly enters its fifth year today, it can congratulate itself that it has done all that was expected of it and more.

The junior stock market has survived the quirky and unstable years of its infancy and shows signs of becoming more robust and of growing faster. "Eighteen months ago, it was a healthy and boisterous child. Now it's beginning to mature into a child with a bit of sense, as well as being boisterous," says Mr Robin Stormonh-Darling, chairman of the Stock Exchange's quotations committee.

Eighty-eight companies joined the USM in the first 10 months of this year, exactly the same number as entered the lower house in the whole of 1983, according to the Stock Exchange. And the pace at which they are graduating to the full market is accelerating.

By contrast, last year's intake was, typified by altogether riskier, more esoteric enterprises in the computer and electronics industries. They tended to be at much earlier stages in their life-cycles, seeking development capital at high prices. Indeed, the sky-high earnings multiples which many of them achieved lay at the heart of the SE's fears that the USM could become so overheated that it would never survive a bear market.

Meanwhile, the average earnings multiple on which USM shares are traded has declined over the past year from 34.2 to 26.6, partly as a reflection of more moderate pricing of new issues, and partly thanks to electricals falling in favour.

The shift is partly due to a dramatic down-rating of electricals' shares earlier this year, caused by anxieties over the stability of the microcomputer industry. And the oil sector has been diminished by its transition to the full market of two of its biggest constituents.

Eight companies have been suspended or gone out of business—though no USM company has given up the ghost so far this year—bringing the grand total of groups to have been dropped to the club to 339. By the standards of its parent market, the USM is still a midsize. Its total market capitalisation of over £2.9bn is equivalent to just 67 per cent of ICI's stock market value. Yet it represents a sizeable chunk of the fastest growing sector of the UK economy and contains, so USM investors hope, companies which could blossom into the ICI's of the future.

At the same time, the USM's character is changing and it has become more mature and less volatile than a year ago. The latest stream of newcomers is strong on well-established companies seeking expansion capital in industries like retailing and engineering.

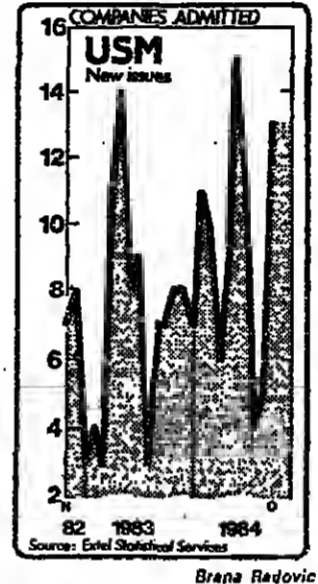
months to reorganise its USM portfolio, pulling out of the riskier start-up companies in favour of more established ventures.

Certainly, one worrying area has been the distinctly variable quality of some of the USM companies joining the market. Normally, companies must have a three-year trading record to qualify for a USM quotation, as against five years for the full market. However, the Stock Exchange will admit new ventures so long as they have a fully researched project using proven technology.

Despite that caveat, the USM's growth has been the country's biggest since the early 1980s. The quality of the companies that have come forward under the category has not been what was wanted, Mr Stormonh-Darling concedes.

The USM's other big bugbear is the parallel growth of the over-the-counter market. The telephone market conducted outside the official auspices of the SE. While the OTC has provided a useful conduit for USM newcomers, it has kept young businesses away from the SE because they do not want to surrender the Business Expansion Scheme tax incentives on which the OTC has flourished. The SE has long campaigned to have the tax treatment of USM and OTC investors brought more into line, but the Treasury is unsympathetic.

Even with the threat from the OTC, the USM has become the country's biggest single source of new equity capital for small businesses. USM companies raised £17m of new money in the first 10 months of this year, and their directors and employees sold another £75m worth of shares. The grand total raised by companies and their shareholders by the end of October was £703m. Of course, there have been flops and near misses, but despite those, the USM appears on track to grow at an undiminished rate in the year ahead. Mr Brian Waterford of Bisgood, Bishop, the only jobbers to make a market in all USM stocks, believes between 50 and 100 companies could join the club before next November. "The momentum is there," he says. "It has been a remarkable four years, and I don't see why we should not go on getting bigger and bigger."



Weekend Brief

University challenge

WHEN BAEDERER'S 19th-century guidebook proclaimed Oxford more attractive than Cambridge it meant the respective charms of the cities, not the merits of the universities housed there. But heads of schools in Britain may soon be quoting Baedeker's words to their host scholars with reference specifically to the two academic institutions.

The main influence behind the change is the concern of both universities to shed their lingering reputation as enclaves of snobs.

As academic criteria for admitting new students, most other universities rely solely on applicants' grades in the public examinations, particularly Advanced levels. Student places are offered, usually after interviews, either firmly on grades already achieved or conditionsally on grades to be gained in the future. The Advanced levels are typically taken by 18-year-olds during their sixth term of studies as senior pupils in their schools' higher forms.

While the same basis is used by the colleges of Oxford and Cambridge for offering places to some students, the two universities have maintained an extra route to admission through their own, internally set entrance examinations. These are typically taken by candidates who, after sitting the Advanced levels in their sixth term as senior pupils, have stayed at school for a seventh term to prepare for Oxbridge's internal exams.



expertise in grooming pupils for the seventh-term tests. Hence a widespread suspicion that families able to afford an independent schooling for their children thereby buy them a preferential chance of Oxbridge entry.

But both universities' colleges have stopped awarding scholarships to the best performers in the internal exams in advance of starting their courses; instead they are now awarded to established students who do well in either the term or the year. The colleges have also decided that something must be done to replace the seventh-term exam.

In Oxford the colleges have agreed to give applicants for undergraduate entry in 1985 and beyond an either-or choice, by sitting for Advanced levels in their sixth term in their schools' higher forms—or they can bid for a place through an alternative entrance exam.

To reduce independent schools' pupils' advantage, the alternative exam will have to be taken a year earlier during the candidates' fourth term as senior pupils of their schools. The alternative test will be set in consultation with schoolteachers and not exclusively by Oxford dons.

remain at loggerheads. While the case for a change has been sufficiently acknowledged the form it is to take is still, in the words of one admissions tutor, "desperately embryonic." Consequently the old system permitting bids for entry through the Advanced level and the internal seventh-term exams will continue at least next year for the selection of undergraduates to start in 1986.

The old system's chances of surviving much beyond that seem slim because two colleges—Emmanuel and Fitzwilliam—have declared their opposition to the seventh-term test, which may be enough to seal its doom. The Oxford solution of a fourth-term exam is apparently favoured by a majority at Cambridge on educational grounds. Whether to require applicants to opt for either the Advanced level or the internal route, instead of leaving both ways open, is also an object of contention.

The way out which seems to have most support at present is to bring forward the university's own entrance exam so that candidates take it in their sixth term as senior pupils along with the Advanced levels, although a week or two earlier.

Making the most of war

"WHEN THIS museum was founded in 1917 it was meant to commemorate something awful that would never happen again," says Dr Alan Borg, director of the Imperial War Museum, as he sits in his office contemplating a £20m plan which will make the world's most famous collection of war memorabilia bigger and better. The Imperial, just across the Thames from the City of London, was once Bedlam—the madhouse—and staff appreciate the irony as the work goes on to preserve nearly a century of man's insanity to man. The Imperial's problem is that something awful has happened too often and so it cannot put all its exhibits on show. For example, it holds wonderful paintings and posters by war artists including Paul Nash and Henry Moore. "It adds up to the second-largest collection of modern British art in the country after the Tate Gallery," says Dr Borg. "We have 12,000 paintings and about 50,000 posters. Only about 250 paintings will be on show at a time. The rest are in store."

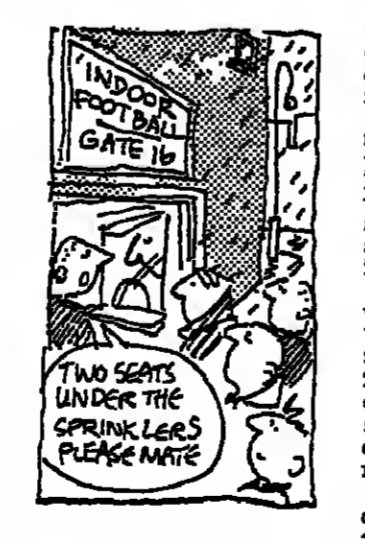
its climax this weekend, when a steady crowd will stream from the Cenotaph to the war museums.

Dr Borg is justifiably euphoric about the new development plan. "Initially, the Government is giving us £8m and we have to find £6.5m. When you think that such developments are normally financed penny for penny, we're doing rather better than that."

But a national appeal has been launched aimed at foundations, companies and individuals. In its history, the museum has had several homes. It was opened by King George V at the Crystal Palace in 1920. Later, in the 1920s, it moved to South Kensington and then in 1936 to Bedlam (which, again ironically, was opened in 1815, the year of Waterloo). The new plan is to add more floors to the Imperial. This will be done by building on the present single-storey "glasshouse" galleries in the centre of the museum and a new roof will enclose the entire in-fill area. When the scheme is completed, there will be extra space for the art collection, special exhibitions, reading rooms for researchers and a new restaurant.

Grounds for concern

IT IS money more than anything that keeps a soccer club in the First Division and these with a capacity of under 25,000 have a problem when they reach the heights. The trouble is that average attendances for an entire season is unlikely to be more than 60 per cent of their ground's actual holding power. So it is an achievement for Luton Town to have hounded back so often since the war, while Queens Park Rangers, whose Loftus Road ground in West London holds less than 25,000 spectators, have done very well in recent years.



Although the ground provides collateral for a bank loan and overdraft, and collects revenue from the boxes where business houses entertain supporters clubs and perimeter advertising, it is reasonably full on not more than 30 occasions in a year. In other words, clubs cannot utilise their grounds enough commercially. Luton and QPR believe they have found the solution of how to stay in the First Division with only a small ground—by going indoors.

certs, fairs and the recent rallies of evangelist Luis Palau for example—sufficient additional revenue has not been produced. Now they want to take the next logical step which is to put a dome on top of Loftus Road. Luton, who have to build their ground are keen to build a covered-in stadium, probably at Milton Keynes, which would include an athletics track.

There are, of course, many ways in which an air-conditioned covered arena with a seating capacity of around 20,000 could be gainfully employed, both winter and summer, tennis, athletics, pop concerts and boxing all come to mind. Before Rangers and Luton could implement their plans they require long-term sanction from the British and European football authorities. The playing characteristics of artificial football pitches are being investigated by Sir Walter Winterbottom and The Sports Council. If his report approves synthetic surfaces for the game—and there can be no doubt that the new one at Loftus Road is superior to a high percentage of grass pitches—then some football clubs may move indoors, which is exactly what the late Alan Hardaker prophesied ten years ago.

Contributors: Michael Dixon Alan Forrest Trevor Bailey

BUILDING SOCIETY RATES

Table with columns for Share, Sub'n, and various rates for different building societies like Abbey National, Ald to Thrift, Alliance, Anglia, Barnsley, Birmingham and Bridgwater, Bradford and Bingley, Britannia, Cardiff, Catholic, Century (Edinburgh), Chelsea, Cheltenham and Gloucester, Citizens Regency, City of London (The), Coventry, Derbyshire, Gaieway, Greenwich, Guardian, Halifax, Heart of England, Hemel Hempstead, Hendon, Lambeth, Leamington Spa, Leeds and Holbeck, Leeds Permanent, Leicester, London Permanent, Midlands, Mornington, National Counties, National and Provincial, Nationwida, Newcastle, Northern Rock, Norwich, Paddington, Pexham, Portsmouth, Portman, Property Owners, Scarborough, Skipton, Stroud, Sussex County, Sussex Mutual, Thrift, Town and Country, Wessex, Woolwich, and Yorkshire.

UK COMPANY NEWS

Companies and Markets

Good UK performance lifts Hill Samuel to £13.2m

A GOOD performance overall from the UK side has helped the Hill Samuel group to expand its net taxed profit by £2.4m to £13.2m for the six months ended September 30 1984.

Life and investment management accounted for £2.18m, against £1.95m, and included an unchanged interim dividend of £250,000 net from Hill Samuel Life Assurance.

The stockbroking and business publication activities of Wood Mackenzie had no material effect on the half year, as the purchase was only completed in September.



Sir Robert Clark, chairman of Hill Samuel, in the group's foreign exchange dealing room.

He noted that the Bank of England's paper on the gilt-edged market this week indicated that there is to be a further £10m would be used to take overnight positions of £100m in long gilts, which was more than at least in the initial stages.

Costain gets £23m for N. American interests

IN A DEAL worth £339m (£23m) cash, Costain, the UK-based international construction and contracting group, is selling its North American housebuilding and land development interests.

Forgemasters set to receive a major cash injection

A MAJOR cash injection at Sheffield Forgemasters, the engineering and special steels company formed jointly by the British Steel Corporation and Johnsen & Firth Brown.

David Foden seeks cash for Biofuels

MR DAVID FODEN, former managing director of the truck concern of that name, which was bought from the receiver by the U.S. trucks group Paccar four years ago, has teamed up with Mr Christopher Robertson, chairman of Robertson Foods with its takeover by Avana in 1981.

Some benefits come through at Polymark

A RETURN to profits has been achieved by Polymark International in the first half of 1984. But exceptional costs will have to be borne so the directors have decided that the resumption of preference dividends cannot yet begin.

second half and a significantly better performance than the same period of 1983 is expected. In the agricultural division a loss of £102,000 (£118,000) was sustained and a significantly greater deficit is likely in the second half while on the technographics side a loss is expected in the second half after a satisfactory first.

second half of 1984, when the seasonal reduction in sales combined with the major disruption in the factory will result in a significantly higher loss. With the benefit of the new production facilities Polymark expects a substantial improvement in 1985.

vertable preference stock on which no dividend has been paid for 15 months. Such is the position of Polymark, where market conditions across its broad range of activities have conspired to produce losses in two of the last three years.

Johnson defends itself against Nottingham bid

SHARES in Johnson Group properties. "This is not the case," he added, "and hence the valuation is unreal."

Both companies have made significant start-up losses since the inception. The directors believe that their combined sales could reach between £900,000 and £1.1m in the year to December 1985, at which level there should be a £60,000 to £120,000 profit.

Aitken Hume's tempting bait

Aitken Hume International, the investment management and merchant banking group, is planning to tidy up its balance sheet by offering improved terms to tempt holders of about £4m convertible loan stock to convert their holdings.

Pahang up against City Code

Pahang Investments, formerly Pahang Consolidated, will have to re-cast its plan to expand in the UK through the acquisition of substantial stakes in Falcon Industries and Barrie Investments and Finance.

Bid to oust Phoenix directors

MR DESMOND BLOOM, a property entrepreneur, is seeking to oust the two executive directors of Phoenix Properties and Finance, a property development company with two industrial estates in the Nottingham area.

Take-over bids and deals

The battle between Dixons and Currys intensified this week when Dixons, after gaining only minimal acceptances to its first offer, increased the value of the bid to £226m. The revised terms, however, failed to convince the Currys board which described the offer and final offer of two Dixons shares plus 740p cash for every three Currys shares as "very seriously inadequate."

PSM is seven times oversubscribed

Approximately 4,700 valid applications were received for a total of over 30m shares (approximately seven times the number offered), in PSM International, the West Midlands manufacturer of industrial fasteners.

SUMMARY OF THE WEEK'S COMPANY NEWS

Table with columns: Company bid for, Value of bid per share, Market price, Price Value before of bid, Price Value after of bid, Bidder. Includes entries for Balance Ind, Romal Tea, Small & Thomas, Waddington (J), Amvill Petroleum, Britport-Gundry, Cocksedge, Cosalt, Crombhorn, Goodman Bros, Jessups, Len & Prov Shop, Micro Reprograph, Petros Stores, Frontaprint, Raine Ind, Regenforest, Smart, J, Town Centre Sec, Tyzack, W.A., Wistech, Wolsley-Hughes.

Table with columns: Company, Half-year, Pre-tax profit, Interim dividends. Includes entries for Airflow Stream, ACT, Ausbacher, R, Aschbacher, R, Berkeley Exp, British Borneo, Brit & Com Ship, Bronx Eng, Buckley's Brew, Cannon, Sir J, Curberry's Est, Craig & Rose, Delya Pack, Est & Agency Higs, Flight Refuel, Hartwell, Kraft Prod, Lanca, Milford Docks, Port & Sued News, Rnst & Tomkins, Sainsbury, J, Shiloh, Star Offshore, Times' Veneer, Tysons (Coat), Warrington, T, Wire & Plastics, Yorklyde.

Table with columns: Company, Year to, Pre-tax profit, Earnings, Dividends. Includes entries for Amvill Petroleum, Britport-Gundry, Cocksedge, Cosalt, Crombhorn, Goodman Bros, Jessups, Len & Prov Shop, Micro Reprograph, Petros Stores, Frontaprint, Raine Ind, Regenforest, Smart, J, Town Centre Sec, Tyzack, W.A., Wistech, Wolsley-Hughes.

Table with columns: Company, Value of bid per share, Market price, Price Value before of bid, Price Value after of bid, Bidder. Includes entries for Advance Services, Atlanta Inv, Bath & Portland, Bridgewater Ests, Corrys, East Lancs Paper, Glenfield Lawrence, Gordon & Gotch, Hayters, Hoskins & Horton, Johnsons Grp Clars, Kent (M.F.), Amalgamated Estates, Lifecare International, Traawood Group.

INTERIM STATEMENTS

Table with columns: Company, Half-year, Pre-tax profit, Interim dividends. Includes entries for Airflow Stream, ACT, Ausbacher, R, Aschbacher, R, Berkeley Exp, British Borneo, Brit & Com Ship, Bronx Eng, Buckley's Brew, Cannon, Sir J, Curberry's Est, Craig & Rose, Delya Pack, Est & Agency Higs, Flight Refuel, Hartwell, Kraft Prod, Lanca, Milford Docks, Port & Sued News, Rnst & Tomkins, Sainsbury, J, Shiloh, Star Offshore, Times' Veneer, Tysons (Coat), Warrington, T, Wire & Plastics, Yorklyde.

Offers for sale, placings and introductions

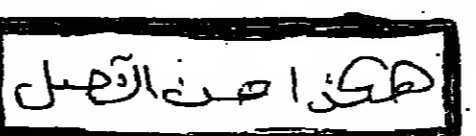
Capital Strategy Fund—Full listing. Gahle House Properties—Full listing with a placing of £1.5m 10 1/2 per cent convertible unsecured loan stock 1985-88. PSM International—Offer for sale of 4.25m shares at 140p per share. Sunderland and South Shields Water Company—Placing of £2m 11 1/2 per cent redeemable debenture stock 2005 at 140p.

COMPANY NEWS IN BRIEF

The improvement seen at Aquaculture Group at the year-end—profits were up 86 per cent at £618,000—continued into the first half of the current year with pre-tax profits rising from £95,000 to £242,000. First half turnover of this high quality clothing company, based in Regent Street in London's West End, improved from £11.3m to £13.0m. Mr G. M. Abrahams, the chairman of the company, is moving ahead in accordance with his forecast at the year-end, and he is confident that this will be reflected in profits for the full year.

DIVIDENDS ANNOUNCED

Table with columns: Company, Date, Current payment, Dividend, Total payment, Total dividend. Includes entries for Clyde Blowers, Futura Holdings, Hill Samuel, McInerney Props Int.



UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

RESULTS DUE NEXT WEEK

Shell's higher than expected stock profits announced last week have made analysts wary about reporting themselves too precisely to figures for the third quarter earnings. Due to be published next Thursday.

Underlying net income, however, is expected to grow from £239m in the previous third quarter to anything between £240m and £245m. That is well down on the second quarter result, reflecting a squeeze on downstream margins indicated by the dollar's strength and a decline in North Sea volumes, where production has been hindered by maintenance on the Forth field.

BP is expected to have been unusually active in the spot market recently—taken as an added hint that stock profits could boost reported earnings by at least £20m and possibly much more.

Forecasting Unilever's quarterly results is never a favourite task for analysts. The third quarter figures to end-September (due on Thursday) pose a particular problem—the scale of launch costs undertaken in the period by Lever, and the U.S. group is making a very determined assault on the U.S. detergents and toiletries market this year, but spending so far has been bunched rather than constant.

In Europe, cooler weather should have made for lower ice cream sales than last year, and dairy quotas will have hurt the animal feeds business. But there should be room for some improvement, even to around £225m-£230m pre-tax, against last year's £215m.

Plessey is investing heavily in expanding its telecommunications operations in the U.S. and its System X at a time when it is meeting more severe competition in the UK. But any decline in telecommunications trading profits should be offset by gains in the rapidly growing micro-electronics division, with the other businesses, including defence, expected to be modest.

The OTC is expected to record a gain for the period to the end of October, due on Thursday, from £42.7m last year to £43m-£45m.

Lucas Industries is reaching the end of a major rationalisation programme carried out to eliminate losses in the automotive division, which still accounts for nearly three-quarters of group sales.

Redundancies and closures, which cost £5m in the year to the end of July 1983, cutting pre-tax profits to £2.1m, are expected to amount to over £20m this year. But the benefits are already coming through and, buoyed by some increase in demand, the trading performance should be the best since the year-tax profit to about £25m, when the results are announced on Monday.

A combination of rapid physical expansion and gains in market share, is expected to be the main feature in the year to Barton Group's profits for the year to August from £99.1m to around £55m.

Mannesmann and VDM plan joint pipe venture

BY JOHN DAVIES IN FRANKFURT

TWO OF West Germany's engineering concerns, Mannesmann and VDM, are planning to set up a joint company to bring together their production of tubes from stainless steel, nickel alloy and other materials—a troubled area hit by the recession in industrial plant construction and shipbuilding.

Mannesmannroehren-Werke, which is three-quarters owned by Thyssen, the steel group, would have 75 per cent of the new company. The remainder would be held by VDM, which is a subsidiary of Metallgesellschaft, the metals and trading concern. Marketing arrangements would remain separate.

Under a rationalisation plan, tube production is to be concentrated at Mannesmannroehren-Werke's factory at Langenfeld, near Düsseldorf, and Cologne. Some operations would be transferred there next year from works at Hellenthal, near the Belgian border.

VDM has already announced that it will close its loss-making pipeworks in the industrial city of Duisburg.

The joint company would include some of the operations from Duisburg, whose total sales revenue was about DM 120m (£81m) in the financial year to September 30, and stainless steel tube operations from Mannesmann with annual sales revenue of about DM 200m.

Court rules against Swraj Paul share deals

By John Elliott in New Delhi

PLANS for Calcutta-based brothers of Mr Swraj Paul, an Indian-born businessman operating from London, to take control of the management of Escorts, a major New Delhi engineering company, ran into problems yesterday in a series of rulings from the Bombay High Court against Mr Paul's share purchases.

The rulings also restrict the powers of India's government-owned financial institutions to interfere in the management and control of companies.

The institutions hold a majority of the shares in several large companies be-

Petro-Canada buys into French project engineering group

BY PAUL BETTS IN PARIS

RETRO-CANADA, the Canadian state-owned oil group, has taken an indirect stake in Technip, the leading French project engineering company which is suffering acute losses.

Petro-Canada has agreed to acquire a 27 per cent stake in L'Internationale de Services Industriels et Scientifiques (ISIS), a holding company controlled by the Institut Français du Pétrole (IFP), the French petroleum research body. ISIS owns shareholdings in French oil services and engineering groups, including a large stake in Technip.

IFP says the transaction will increase the financial resources of its ISIS holding company by FF 81m (\$9m). Petro-Canada will acquire its 27 per cent stake in ISIS through a capital increase. This operation will leave IFP with 60 per cent of the holding company and a group of French banks with the remaining 13 per cent.

The transaction will enable IFP, through ISIS, to maintain a 20 per cent stake in Technip and participate in the forthcoming operation to inject fresh funds into the troubled project engineering group.

Like other groups in the energy business, Technip has been badly hit by the softness of the oil markets. Technip is expected to lose about FF 200m this year following a deficit of FF 224m last year and a FF 40m loss in 1982.

Technip is now seeking a FF 350m fresh capital injection from its main shareholders. Apart from IFP, these include the Elf-Aquitaine oil group, Saint-Gobain and Total.

However, Saint-Gobain has decided to dispose of its 15 per cent stake in Technip. Gaz de France, the state gas utility, is expected to take over this 15 per cent interest. IFP now has a 41 per cent stake, which is now expected to be cut to 20 per cent.

Dupuis to pull out of link with Hachette

By Our Financial Staff

DUPUIS, THE Belgian publisher, has pulled out of the deal which would have taken it under the umbrella of Hachette, the French publishing group.

Dupuis said yesterday that it was holding talks with Editions Mondiales of France with a view to Mondiales taking control of Dupuis.

Dupuis decided to break off an agreement in principle with Groupe Bruxelles Lambert (GBL), the Belgian financial holding company, and Hachette. It said that the accord was broken because Dupuis "had received a better offer."

In October, GBL and Hachette made an offer of Bfr 1.35bn (£22.7m) for Dupuis. GBL was to have acquired a 32 per cent share, Hachette 48 per cent and 20 per cent was to have stayed with Dupuis shareholders.

Editions Mondiales had no comment to make yesterday. GBL said it was "fairly shocked" by Dupuis' move.

GBL-Gervais Danone, the leading French food group and major brewer, is stepping up its interim dividend for 1984. The payment is being raised from the FF 15 a share of 1983 to FF 20.

Cartel Office to investigate Allianz's RAS proposals

WEST BERLIN—The Federal Cartel Office will investigate plans by Allianz, the West German insurance group, to increase its recently-acquired 14.3 per cent stake in RAS, the Italian insurer, Herr Hubertus Schoen, a Cartel official, said the investigation would cover the effect of Allianz's plans on competition in the domestic insurance market. He did not rule out the possibility of a recommendation that Allianz buy off or sell RAS's share of business in West Germany.

RAS owns 75 per cent of Muenchener Lebensversicherung and has a direct and indirect 67 per cent stake in Austrian insurer Interunfall, which has a branch in West Germany.

Herr Schoen said Allianz had told the office that it would submit its plans for RAS in the next few days.

"I assume from this that Allianz wants to take its stake to over 25 per cent," he said.

West German companies must seek Cartel Office approval of any planned purchase, domestic or foreign, which would take the stake in another company in the same sector to 25 per cent or more. Allianz confirmed the submission and said its medium-term aim was to build up a strong minority holding in RAS.

Allianz's present stake in RAS consists of 8 per cent bought from the heavily-indebted Ilalobliare group and 6.3 per cent purchased from the Agnelli family.

Reuter



Mr Swraj Paul—share purchases criticised

cause they are a primary source of finance. They also deal on the stock market.

The judgments are an implicit criticism of the actions taken by the Indian Government in support of Mr Paul. The government is considering whether to appeal.

The judgments hit at actions by the Reserve Bank of India and the Life Insurance Corporation which owns 54 per cent of Escorts' shares.

Early last year Mr Paul built up a holding of 7.5 per cent in Escorts and a similar stake in another Delhi company using concessions available to non-resident Indians investing in India.

There was controversy over his share dealings which Escorts refused to register. Indian industrialists questioned his motives because he was a close confidant of the late Mrs Indira Gandhi.

The Reserve Bank issued a circular indicating the shares should be registered and at the beginning of this year the Life Insurance Corporation started a boardroom coup to replace existing non-executive directors with its own nominees.

This led to the court case and yesterday's judgments, after several months delay.

The court ruled that the Reserve Bank should not have indicated approval for registering the shares retrospectively. It also said the Life Insurance Corporation indulged in "illegal and malefic" practices.

There were some signs a few weeks ago that an out of court settlement might be reached but no progress has been made. Mr Paul refused to comment yesterday.

Warrior for OTC listing

BY OUR FINANCIAL STAFF

WARRIOR RESOURCES, the Canadian registered energy group, plans to seek a listing on the London OTC market early next year as part of a broad strategy of expansion in sales and returned solidly to profits. Domestic sales of motorcycles in Japan, by contrast, showed a 6 per cent decline from the same period a year earlier.

For the full year, Suzuki expects motorcycle sales to the U.S. to continue to increase at a rapid rate, but warns that there will be a higher depreciation factor arising from its model change costs in small car production. Full year pre-tax profits are expected to reach ¥14.5bn—up 34 per cent—and net profits ¥7bn on sales projected to reach ¥380bn.

Okuma Machinery, the machine tool producer specialising in lathes and numerically controlled equipment, has reported a 217 per cent increase in its pre-tax parent company's profits for the six months to September 30, from ¥1.1bn to ¥3.3bn. At the net level, this translated into a 159 per cent increase to ¥1.47bn from ¥569m on sales of ¥32.79bn—up 51 per cent from the previous year's ¥21.82bn.

Exports almost doubled to account for 30 per cent of sales, while among Okuma's product lines, sales of machining centres rose 42 per cent and those of numerically-controlled lathes by 67 per cent.

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Suzuki boosts first half profits

BY YOKO SHIBATA IN TOKYO

SUZUKI MOTOR, the Japanese motor-cycle and light-car manufacturer in which General Motors has a 5 per cent stake, has reported a 66 per cent increase in pre-tax profits at the parent company level for the six months ended September 30, from ¥4.5bn to ¥7.5bn (\$31m).

After tax and other deductions, this translated into a 22 per cent increase to ¥2bn from ¥1.55bn on sales of ¥21.67bn—up 7.8 per cent from ¥20.22bn.

Suzuki benefited from a strong increase in vehicle exports. In value terms, the rise was 35 per cent from the same period a year earlier, thanks in large part to the start of shipments to GM as well as to the group's outlet in India.

Exports of motor-cycles rose by 30 per cent in value to reach 40 per cent of total sales. In the U.S. market, Suzuki achieved a 42 per cent increase in sales and returned solidly to profits. Domestic sales of motor-cycles in Japan, by contrast, showed a 6 per cent decline from the same period a year earlier.

For the full year, Suzuki expects motorcycle sales to the U.S. to continue to increase at a rapid rate, but warns that there will be a higher depreciation factor arising from its model change costs in small car production. Full year pre-tax profits are expected to reach ¥14.5bn—up 34 per cent—and net profits ¥7bn on sales projected to reach ¥380bn.

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Company	Announcement date	Dividend (p)	Last year	Final	This year
AE	Tuesday	—	1.4	1.75	—
Barlow Rand	Monday	2.0	4.0	2.0	—
Barton	Tuesday	1.59	3.45	3.0	—
Barton Group	Monday	0.0	0.8	0.6	—
Commonwealth	Monday	1.0	1.0	1.0	—
Flitcraft	Thursday	1.3	3.2	1.49	—
Gleason, M. J.	Monday	1.6	5.4	1.6	—
Grp Holdings	Wednesday	1.0	2.0	1.3	—
Grp Holdings	Monday	0.25	3.0	1.3	—
Lucas Industries	Monday	2.0	0.0	2.0	—
LWT (Holdings)	Thursday	4,494.9	6,821.9	3,198.9	—
Maynard	Monday	3,125	3,025	0.4	—
Murray Gordon	Monday	1.2	2.7	1.3	—
Scott's National Trust	Wednesday	4.0	4.75	—	—
Smiths Industries	Monday	2.0	3.0	3.0	—
Stocholm	Tuesday	0.58	1.55	0.6	—
Wells Potters	Tuesday	—	—	—	—

More hotels for Mount Charlotte

Mount Charlotte Investments, the fast-growing hotel group, is to acquire the 349-room Royal Scot Hotel in London's Kings Cross area from Scottish & Newcastle Properties for £10m. This will be the third major hotel deal by the Leeds-based Mount Charlotte group in the past two years. In June, it paid nearly £26m for the Sharn Dhu chain, with five hotels in Scotland, while in 1983 it bought the 1,000-bed York House Trust, a 1,000-bed hotel in London, and a further two from Grand Metropolitan for £21.6m.

Mount Charlotte will make an additional £25,000 payment for the stock of the Royal Scot. Mount Charlotte's share price was unchanged at 66p yesterday, and Scottish and Newcastle

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Over-the-Counter Market

1983-84	Price	Change	Gross Yield	P.E.	Fully Paid
High	142	1	8.2	8.6	8.0
Low	137	-	8.2	8.6	8.0
138	117	-	10.0	8.9	8.9
78	52	-	6.4	12.5	6.7
42	21	-	3.9	6.3	5.7
132	57	-	3.4	2.9	11.3
38	42	-	5.5	8.1	5.0
250	23	-	1.4	10.0	6.4
152	117	-	15.7	12.8	—
740	100	-	10.7	12.8	—
249	92	-	6.5	9.2	8.8
73	45	-	4.3	16.0	10.8
200	75	-	9.6	4.7	10.8
206	79	-	4.3	16.0	10.8
85	25	-	4.3	16.0	10.8
80	27	-	2.7	7.3	16.2
218	200	-	15.0	7.5	14.4
124	61	-	4.9	14.8	9.8
250	213	-	12.0	8.0	12.0
93	83	-	12.9	11.9	—
147	100	-	13.0	15.0	—
480	275	-	13.0	15.0	—
170	31	-	5.0	15.1	—
74	34	-	5.7	16.8	17.8
130	01	-	1.0	1.0	1.0
444	377	-	4.7	1.1	2.4
26	17	-	5.7	11.2	16.1
87	60	-	5.0	6.4	10.0
87	60	-	5.0	6.4	10.0
228	17.4	-	6.6	15.0	10.2

(This advertisement does not constitute an offer to subscribe for shares.)

BIOFUELS PLC

Incorporated in England under the Companies Act 1948 (Registered Number 1823795)

Placing Under the Business Expansion Scheme

by
HILL WOOLGAR & COMPANY P.L.C.
 (Licensed Dealer in Securities and a Member of NASDAQ)

of
500,000 Ordinary Shares of 20p each at £1 per share payable in full on application

Biofuels is engaged in the development, manufacture and distribution of an alternative fuel based on waste wood. The Company has in excess of 170 main distributors for its products. The main winter fuels are in log or briquette form which, when price and calorific content are considered, represent a real saving for money compared to prospected household coal. The summer fuel is a cleaner alternative barbecue fuel that nevertheless looks like charcoal briquette.

It is the Directors' intention that after approximately three years, application should be made to the Council of The Stock Exchange for the grant of permission for dealings to take place in the United Kingdom in the Ordinary Shares of the Company. It is emphasized that currently no such application has been made. Pending the application, Hill Woolgar & Company P.L.C. will be making an "Over the Counter Market" in the Ordinary Shares of the Company.

Application forms and copies of the Prospectus dated 7th November, 1984 upon the terms of which alone applications can be made, can be obtained from—

London Office:
 5 Frederick's Place
 Old Jewry
 London EC3R 8HR
 01-696 2551

Hill Woolgar & Company P.L.C.
 Manchester Office:
 139-140 Royal Exchange
 St. James Square
 Manchester M2 7BY

CAPITAL STRATEGY FUND LIMITED

Gartmore Fund Managers
 International Limited
 6 Caledonia Place, St Helier
 Jersey, CI - Tel: 0534 27301
 Telex: 4192030

Subfunds	Yield	Price	(%)
Sterling Dep.	41.007	9.61	
Dollar Dep.	USD1.051	9.02	
DM Deposit	DM5.071	4.61	
Yen Deposit	¥51.10	5.02	
Sfr Dep.	Sfr5.047	1.00	
N. American	USD1.12	0.5	
Japan	USD1.26	0.6	
Pacific Basin	USD1.11	0.6	
Intl. Growth	USD1.02	0.6	
British	£1.09	2.0	
Starling Gilr	£1.12	9.9	
Int. High Inc.	USD1.09	12.0	
Yen Con. Bond	¥1156.00	3.2	

*Price at 9/11/84

Company Profile Service 0985-215151

Have you ever needed to know more about a UK company quoted on the Stock Exchange?

* PRESS COMMENT * LATEST REPORT AND ACCOUNTS * INTERIM STATEMENTS/PRESS RELEASES

By phoning the above number you can receive a comprehensive dossier of published information on the company of your choice, by return post, for just £16.00.

Other McCarthy's services include:

- * Exclusive FULL TEXT Press Comment
- * International Products & Industrial Trends
- * NEW FT STATS PICHE
- * Instant access to the Key Statistics published in the FT

CALL TODAY FOR BROCHURES AND FURTHER DETAILS

Registered number: 1676000 England Registered Office: 10 Cannon Street, London EC4A 3DF

Grofund Managers Limited

Pinners Hall, 8/9 Austin Friars
 London EC2A 2AE - Tel: 01-406 5317
 As at November 10 1984

	Bid	Offer	Yield
America Trust	63.0	66.4	2.6
Japan Trust	65.5	70.0	0.4
European Trust	56.2	58.2	3.0
GIU Trust	51.1	52.7	10.0
Equity Trust	58.8	62.4	2.5

MONTAGU

UNIT TRUST MANAGERS LTD

10 Devonshire Square
 EC2M 4YB - Tel: 01-423 4271
 Daily Dealing Prices

Unit	Price	Change
Japan Unit	44.5	47.5 - 0.4
Japan Unit	45.1	48.0 + 0.5
US Unit	51.0	44.4 - 0.4
US Unit	51.0	54.4 + 0.3
US Unit	45.6	48.6 + 0.3
US Unit	45.6	48.6 + 0.2
US Unit	52.3	57.9 + 0.1
US Unit	52.3	51.8 + 0.2
US Unit	236.7	247.2 - 1.7
US Unit	289.1	321.9 - 1.3

LADBROKE INDEX

Based on FT Index
 897.901 (+6)
 Tel: 01-421 4411

WORLD STOCK MARKETS

NEW YORK

Table of New York stock market data including AMCA, AMF, AMR, and various industrial and utility stocks with their respective prices and changes.

STOCK

Table of international stock market data for various countries including Australia, Belgium, Canada, France, Germany, Hong Kong, Japan, and the UK.

WALL STREET

Firm trend on monetary news
Thursday, despite positive reaction from the business community at large...

SLIGHTLY HIGHER levels developed on Wall Street yesterday, when the market, helped by upbeat inflation and monetary news, rebounded after two days of losses.

By 1pm the Dow Jones Industrial Average was up 3.64 to 1,232.33, making a net rise of 15.68...

Some international 'Populists' were slightly but uncertainly over the direction of Wall Street and U.S. interest rates...

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INDICES

Table of various stock indices including Dow Jones, Nikkei, and others, with columns for date, high, low, and change.

NEW YORK ACTIVE STOCKS
Thursday Stocks Closing price day
Tenneco 23.00 23.00 23.00 23.00

Handwritten signature or note at the bottom of the page.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firmer

The dollar improved in currency markets yesterday and short covering on the prospect that U.S. interest rates may not decline much further. Short term U.S. interest rates were quoted above the recent lows...

STERLING EXCHANGE RATE INDEX (Bank of England) Table with columns for Nov 9 and Previous rates for various currencies.

OTHER CURRENCIES

Table of exchange rates for various currencies including Argentine Peso, Australian Dollar, Brazilian Dollar, etc.

EXCHANGE CROSS RATES

Table showing cross rates between major currencies like Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

Little change

Interest rates showed little overall change in the London money market yesterday. There appeared to be little indication of short term rate movements...

UK clearing banks' base lending rate 10 per cent since November 7

The Bank of England forecast a shortage of around £800m which factors affecting the market including maturing assistance and a take up of Treasury bills...

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table of interest rates for various Euro-currency deposits and loans.

POUND SPOT-FORWARD AGAINST POUND

Table showing forward rates for the pound against itself, with columns for Nov 9, Day's spread, and various time periods.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table showing forward rates for the dollar against itself, with columns for Nov 9, Day's spread, and various time periods.

FT LONDON INTERBANK FIXING

Table of interbank fixing rates for various currencies and terms.

LONDON MONEY RATES

Table of London money rates for various currencies and terms.

Discount Houses Deposit and Bill Rates

Table of discount houses deposit and bill rates.

FT LONDON INTERBANK FIXING

Table of FT London interbank fixing rates.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities.

REVIEW OF THE WEEK

Summary of market movements and price changes for the week.

AMERICAN MARKETS

Summary of market movements and price changes for American markets.

Supply concern lifts London lead market

LEAD defied the general easier trend in the London base metals markets this week as concern about supplies pushed the cash quotation on the London market...

COCOA

The cocoa market also ended well down, reflecting sterling's gains, despite bouncing up early yesterday, on pre-extended London futures market...

NEW YORK

Gold and silver came under modest pressure on a report that the Federal Reserve will not move quickly to lower the discount rate...

BASE METALS

Amalgamated Metal Trading reported that in the morning tin prices were higher than in the afternoon...

ALUMINIUM

Aluminium prices were higher in the morning than in the afternoon, with three months' contracts at 110.25...

INDICES

Summary of various market indices including Dow Jones, S&P 500, etc.

LONDON OIL

Oil prices were lower in the morning than in the afternoon, with the market slipping a little further in the afternoon but again met keen buying...

GAS OIL FUTURES

Prices moved lower during the morning on trading meeting and the market slipped a little further in the afternoon but again met keen buying...

SPOT PRICES

Summary of spot prices for various commodities.

GOLD MARKETS

Gold fell \$1 an ounce from Thursday's close in the London bullion market yesterday. The metal opened at the same level and traded between a high of \$347.50 and a low of \$345.45...

LONDON FUTURES

Summary of London futures prices for various commodities.

SOYABEAN MEAL

Summary of soyabean meal prices.

ZINC

Summary of zinc prices.

POTATOES

Summary of potato prices.

LIVE CATTLE

Summary of live cattle prices.

LONDON STOCK EXCHANGE

Companies and Markets

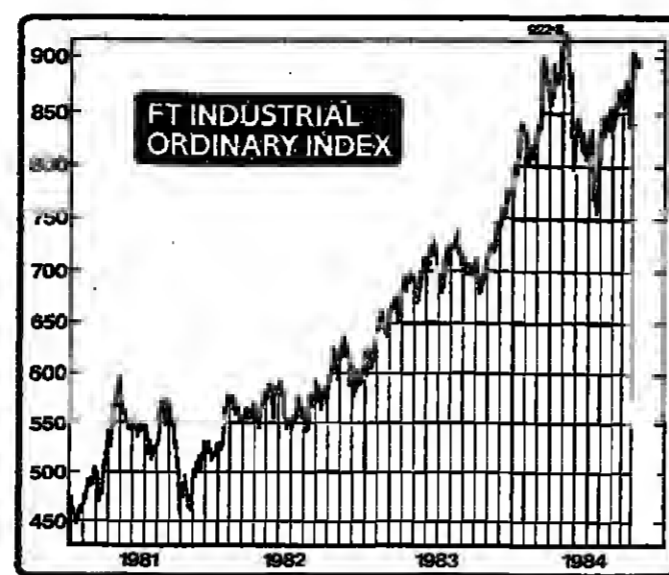
MARKET REPORT

Interest rate hopes spur late demand in markets hopeful of firm run-up to British Telecom issue

Account Dealing Dates Option
*First Declared Last Account Dealings Dates Nov 9 Nov 19 Nov 22 Nov 23 Dec 9 Nov 26 Dec 6 Dec 17

Discounts up again

Discount Houses derived strength from Press comment, suggesting that further mergers will occur within the sector in the wake of the Bank of England's plans for a new look gilt-edged market. Clive jumped 6 to 67p on rumours, later denied of a bid approach. King and Staxton put up 11 to 176p and Cater Allen advanced 25 to 740p



Investors began to enthuse yesterday about market prospects before and after privatisation of British Telecom later this month. Throughout the session, leading shares looked likely to improve and in the after-hours' trade moved up sharply across a broad front. The FT Industrial Ordinary share index finally re-crossed 900, after having shown fractional movements either way at the earlier counts, to close 7.1 higher at 900.1.

The late strength was aided by demand for the new equity trading Account starting on Monday. Business is permitted without new-time penalty after 3.30 pm. Sterling's softer tone against the dollar encouraged support of stocks with overseas earnings potential, while news of the return in mortgage rates and the return to work at Jaguar helped sustain sentiment generally.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Fri Nov 9 1984, and Highs and Lows Index. Lists various equity groups like CAPITAL GROUPS, INDUSTRIAL GROUPS, and their performance metrics.

FIXED INTEREST

Table showing Average Gross Redemption Yields for various fixed interest instruments like British Government, 5-15 years, 30-35 years, etc.

Table showing BRITISH GOVERNMENT INDEX-LINKED STOCKS with columns for All stocks, Inflation rate, and other metrics.

reflected revived takeover hopes and finished 5 better at 410p. BICC, 235p, and GEC, 233p, rose 3 pence. Ahead of the interim results due on November 21, MK rose 3 more for a rise of 28 on the week at 328p. Anomated Security advanced 10 to 185p, and Applied Micrographics firmed the same amount to 205p.

Buyers appeared for the first time since the week-end. GKN moved up 7 to 180p on occasional buying interest. Late support lifted Wagon Industrial 4 to 120p. Vosper, however, drifted to close cheaper at 150p.

Once again, the Engineering group showed few signs of recovery. BHP, annual results due at the end of the month, firmed 2 to 322p. British Land attracted late support and closed 2 dearer at 142p and Peasehey improved the same amount to 238p.

Glaxo well above worst. The Government's proposal to cut an estimated £100m a year from the National Health Service's running costs has provoked a reaction in the pharmaceutical shares following late overnight selling. Prices, however, gradually recovered in the morning to close higher.

Gold easier. The five-day measure in South African Gold and related issues came to a halt as a rally in the dollar ended the six-day advance by the bullion price.

NEW HIGHS AND LOWS FOR 1984. Lists various stocks that reached new highs or lows during the year 1984.

RISES AND FALLS. Yesterday On the week. Lists the performance of various stock groups like British Funds, Corporate, Industrial, etc.

ACTIVE STOCKS. Above average activity was noted in the following stocks yesterday. Lists specific stocks like Applied Computer, Jaguar, etc.

THURSDAY'S ACTIVE STOCKS. Based on bargains recorded in the Official List. Lists active stocks like ORG, Mayday, etc.

5-DAY ACTIVE STOCKS. Based on bargains over the five-day period ending Thursday. Lists active stocks like Hse. of Fraser, etc.

FINANCIAL TIMES STOCK INDICES

Table showing various stock indices like Government Secs, Fixed Interest, Industrial, Gold Mines, etc., with columns for Nov 9, Nov 8, Nov 7, Nov 6, Nov 5, Nov 4, Nov 3, Nov 2, Nov 1, and Year.

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows for various sectors like Govt. Secs, Fixed Int., Industrial, Gold Mines, etc.

LEADERS AND LAGGARDS

Table showing percentage changes since December 30, 1983, based on Thursday, November 8, 1984. Lists various sectors like Tobacco, Health and Household Products, etc.

RIGHTS OFFERS

Table showing rights offers for various companies like Addison Oorams, Applied Micrographics, etc.

FIXED INTEREST STOCKS

Table showing fixed interest stocks like British Government, 5-15 years, etc.

RISES AND FALLS

Table showing rises and falls for various stock groups like British Funds, Corporate, Industrial, etc.

ACTIVE STOCKS

Table showing active stocks like Applied Computer, Jaguar, etc.

THURSDAY'S ACTIVE STOCKS

Table showing Thursday's active stocks like ORG, Mayday, etc.

5-DAY ACTIVE STOCKS

Table showing 5-day active stocks like Hse. of Fraser, etc.

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Financial Times Saturday November 10 1984

STERLING ISSUES BY FOREIGN GOVTS. & INT'L INSTITUTIONS

At issue on 11.10.84: 1000 000 000 ...

INTERNATIONAL AND LEASING

International Leasing ...

CORPORATION & COUNTY

London County ...

COMMERCIAL INDUSTRIAL

AAH ...

UK PUBLIC BODIES

Agricultural ...

COMMONWEALTH GOVT

South Australia ...

FOREIGN STOCKS

(coupons payable in London)

STERLING ISSUES BY OVERSEAS BORROWERS

At issue on 12.10.84 ...

BANKS, DISCOUNT

At issue on 12.10.84 ...

BREWERIES

At issue on 12.10.84 ...

RETAILERS

At issue on 12.10.84 ...

RETAILERS

At issue on 12.10.84 ...

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from Thursday's Stock Exchange Official List...

they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

Cartio Engineering 5.050pcp £11 57 ...

Rank Hols McDowell Geop £11 49 ...

COMMERCIAL INDUSTRIAL

AAH ...

FINANCIAL TRUSTS

Apex Home Invest 10.000-91 5136 ...

INVESTMENT TRUSTS

Alliance Trst 7.000-91 5136 ...

INSURANCE

Competition Acc Soc 10.000-91 5136 ...

WATER WORKS

Bournemouth Water 3.500-91 5136 ...

PLANTATIONS

Anglo-Indonesian 5.000-91 5136 ...

RAILWAYS

Colony Rail 10.000-91 5136 ...

UTILITIES

Baron Transport 10.000-91 5136 ...

SHIPPING

Calcutta 9.000-91 5136 ...

WATER WORKS

Bournemouth Water 3.500-91 5136 ...

UNLISTED SECURITIES

Adcom Communications 200 162, New ...

MARKET

Adcom Communications 200 162, New ...

APPLICATIONS GRANTED FOR SPECIFIC BARGAINS IN SECURITIES NOT LISTED ON ANY EXCHANGE

Alshon Int'l 100 91 5136 ...

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange.

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland.

RULE 535 (3)

Deals for approved companies engaged in mineral exploration.

LONDON TRADED OPTIONS

Table with columns for CALLS and PUTS, and sub-columns for Jan, Apr, July, Oct, Feb, May, Aug, Nov. Includes options for various stocks like B.P., Cans. Gold, Courtauld, Com. Union, G.S.C., Grand Met., L.O.I., Land Sec., Marks & Sp., Shell Trans., Telford's, and FT-SE Index.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol., Last, and Stock. Includes options for GOLD, SILVER, and various currencies like DEM, FR, SFR, Lira, etc.

UNIT TRUSTS

M & G Gold General Fund Accum Units 46 (2/11).

MINES - MISCELLANEOUS

AMAX Inc 800 1-18 1590 535 ...

OIL

BP 900 1-18 1590 535 ...

PROPERTY

Allied London 900 1-18 1590 535 ...

APPOINTMENTS

Senior posts at Grindlays Bank

The following senior appointments have been made at GRINDLAYS BANK Mr J. G. Davenport has been appointed to the board as managing director.

Mr R. W. Parsons, formerly managing director, Middle East and Africa, has been appointed managing director, Europe.

Mr J. F. Curry has been appointed divisional director, specialist finance and Mr C. P. Barrington has been appointed director, corporate banking department.

Mr G. M. Nissen, senior partner of Pember and Boyle, stockbrokers, has been appointed to the board of MORGAN GREEN FELLOWS HOLDINGS.

Mr Ian Nicholson-Yeates has been appointed financial director with APCO Ltd, Birmingham. He was previously managing director of the firm.

Mr C. G. Draper has been appointed managing director of ASTLEY & PEARCE (EURO-CURRENCY DEPOSITS), a wholly-owned subsidiary of Exco International.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., High Income, and others, with columns for name, manager, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts including categories like Franklin Templeton, Key Fund Managers, and various international and domestic funds.

Table of City of Westminster Pension Fund and other pension-related unit trusts.

Table of Clerical Health/Fidelity International and other international unit trusts.

Table of Commercial Union Group and other commercial unit trusts.

Table of Crown Life Assurance Co. Ltd. and other life assurance unit trusts.

Table of Equitable Unit Trusts and other unit trusts.

Table of Fidelity Investments and other unit trusts.

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Advertisement for Warnford Court, Throgmorton Street, London EC2N 2AT, featuring a large graphic of a woman's face and text about 'Gilded Specials'.

Handwritten text at the bottom center of the page, possibly a signature or note.

INSURANCE, OVERSEAS & MONEY FUNDS

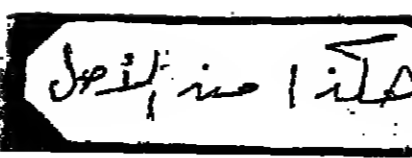


Table of insurance and overseas funds including Liberty Life Assurance Co Ltd, Life Assur. Co. of Pennsylvania, and various international life insurance companies.

Main table of money funds and investment vehicles, including sections for 'Saver & Preparer Group', 'Saver & Preparer Group', 'Saver & Preparer Group', and 'Saver & Preparer Group'.

Table of money market and bank accounts, including Midland Bank Trust Corp (Jersey) Ltd, TSB Trust Funds (CI), and various money market funds.

OFFSHORE AND OVERSEAS

Money Market

Trust Funds

Money Market

Bank Accounts

Prices are in pence unless otherwise indicated... (Footnote text)

FT LONDON SHARE INFORMATION SERVICE

HOTELS—Continued

Need room to grow? Emigrate to Telford. The Growing South. 0952 613131

BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield. Includes 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years'.

Table of British Funds with columns for Name, Price, Dividend, and Yield. Includes 'Over Fifteen Years' and 'Undated'.

Table of British Funds with columns for Name, Price, Dividend, and Yield. Includes 'Index-Linked'.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues with columns for Name, Price, Dividend, and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, Dividend, and Yield.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Price, Dividend, and Yield.

LOANS Building Societies

Table of Loans from Building Societies with columns for Name, Price, Dividend, and Yield.

Public Board and Ind.

Table of Public Board and Industrial issues with columns for Name, Price, Dividend, and Yield.

Financial

Table of Financial issues with columns for Name, Price, Dividend, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Name, Price, Dividend, and Yield.

AMERICANS

Table of American stocks with columns for Name, Price, Dividend, and Yield.

BEERS, WINES—Cont.

Table of Beers and Wines with columns for Name, Price, Dividend, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, Dividend, and Yield.

CANADIANS

Table of Canadian stocks with columns for Name, Price, Dividend, and Yield.

BANKS, HP AND LEASING

Table of Banks, HP and Leasing with columns for Name, Price, Dividend, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics with columns for Name, Price, Dividend, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, Dividend, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, Dividend, and Yield.

DRAPERY AND STORES

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DRAPERY & STORES—Cont.

Table of Drapery and Stores with columns for Name, Price, Dividend, and Yield.

ENGINEERING—Continued

Table of Engineering with columns for Name, Price, Dividend, and Yield.

ELECTRICALS

Table of Electricals with columns for Name, Price, Dividend, and Yield.

ENGINEERING

Table of Engineering with columns for Name, Price, Dividend, and Yield.

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INDUSTRIALS (Miscel)

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INDUSTRIALS (Miscel)

Table of Industrials (Miscellaneous) with columns for Name, Price, Dividend, and Yield.

INDUSTRIALS (Miscel)

Table of Industrials (Miscellaneous) with columns for Name, Price, Dividend, and Yield.

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Spine 110

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, high, low, and volume.

LEISURE—Continued

Table of leisure stocks including companies like British Skyways, British Telecom, and British Airways.

PROPERTY—Continued

Table of property stocks including companies like British Land, Wimpey, and Taylor Woodrow.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British American, British Overseas, and British Venture.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like British Petroleum, Shell, and Esso.

Life of Canada logo with text 'Over 100 of the world's largest life assurance companies' and phone number 030 5400.

MINES—Continued

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Aerospace, British Leyland, and Rover.

COMMERCIAL VEHICLES

Table of commercial vehicle stocks including companies like British Leyland, Ford, and Iveco.

COMPONENTS

Table of component stocks including companies like British Leyland, Ford, and Iveco.

SHIPPING

Table of shipping stocks including companies like British Overseas, British Venture, and British Airways.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Leather, British Shoes, and British Leather.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American, De Beers, and Anglo Coal.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like British Newspapers, British Publishers, and British Newspapers.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like British Paper, British Printing, and British Advertising.

TEXTILES

Table of textile stocks including companies like British Textiles, British Textiles, and British Textiles.

TOBACCO

Table of tobacco stocks including companies like British Tobacco, British Tobacco, and British Tobacco.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Trusts, British Finance, and British Land.

PROPERTY

Table of property stocks including companies like British Land, British Property, and British Property.

INSURANCES

Table of insurance stocks including companies like British Insurance, British Insurance, and British Insurance.

LEISURE

Table of leisure stocks including companies like British Leisure, British Leisure, and British Leisure.

FINANCE, LAND, etc

Table of finance, land, and other stocks including companies like British Finance, British Land, and British Finance.

OIL AND GAS

Table of oil and gas stocks including companies like British Petroleum, Shell, and Esso.

MINES

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including companies like British Regional, British Irish, and British Regional.

Notes and options section containing various financial details, disclaimers, and options data.

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MAN IN THE NEWS

Birthday boy with problems

BY TIM COONE

DESPITE THE war fever a relations with Washington deteriorate, this weekend will be a double celebration for Daniel Ortega. Not only has he won the first clean election in Nicaragua's history but tomorrow he turns 39, making him the youngest President in the simmering pot of Central America.

It would be a mistake, however, to equate his relative youth with inexperience. Like most Nicaraguans who became embroiled in the revolution, Ortega started in politics at an early age.

His family was poor and his father was an associate of the legendary Augusto Cesar Sandino, the guerrilla fighter who forced U.S. occupation troops to withdraw from Nicaragua in 1933, and from whom the Sandista Party takes its name. Ortega's first experience of prison and torture was at the age of 13.

He joined the Sandinista Liberation Front (FSLN) in 1963 aged 19 and took charge of student organisation. Later, he became involved in planning and carrying out military operations against the Somoza dictatorship. Friends who knew him then say he was sombre, laughed seldom and was dedicated to detail in planning. Today, his public appearances remain serious occasions and his speeches invariably are earnest.

His few public pleasures include running 10 kilometres a day and driving his own vehicle. It is not uncommon in Managua to see his now-familiar



Daniel Ortega

face with moustache and beary-rimmed glasses behind the wheel of a jeep, followed by a Keystone Cap-style convoy of armed bodyguards swarming and manoeuvring to prevent potential assassins from coming too close.

His wife is a public figure in her own right as head of a cultural association, but they are never connected publicly. Like all the Sandinista leaders, Ortega leads a very private personal life.

He was in prison from 1967-1974 and suffered torture and isolation. At one point he spent 41 days on hunger strike to protest at conditions. Many of his companions from those days died later in fighting including his youngest brother, Camilo, who was killed in 1978.

But it was also in those prison days that Ortega wrote a poem called "I never knew Managua when the mini-skirt was in fashion." It is one of the few subjects that will bring a smile to his face.

After being sprung from prison he became part of the national directorate of the FSLN. Then he and his brother, Humberto, now the Defence Minister, became its policy leaders. The Terrorista faction led by the two brothers later was responsible for the formation of a broad alliance bringing in the middle classes and even businessmen with the Campesinos and workers to overthrow Somoza.

The broad-based alliance has been a trade mark of the Sandinistas ever since and it is unlikely Ortega will try to change that. But as he celebrates his birthday and political victory—in what will, typically, be a private family affair—the country is preparing to go on a war footing against a feared U.S. invasion.

It is a situation about which he has warned many times—and will undoubtedly confront with somberness and a clear-headedness that 24 years of political and military struggle have brought.

Council house sales to help close spending gap

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE GOVERNMENT hopes that a substantial rise in sales of council houses will square the Treasury's books and keep its public spending total for next year on target.

The forecast sales increase of about 30,000 homes has come to the Treasury's rescue after it failed to obtain all the £750m spending cuts it wanted at a full Cabinet meeting on Thursday.

On Monday, Mr Nigel Lawson, Chancellor of the Exchequer, will announce a public spending target of 1985-86 of £132.0bn. This is £300m more than the total the Treasury has been aiming for in the last two months of negotiations with spending departments.

Mr Lawson has been able to hit the new planning figure without unduly raiding the reserve for contingencies set at £3.7bn in 1985-86 in the February White Paper.

The Chancellor will announce that this is to be cut to £3bn. This will partly take account of the excess spending by local authorities which the Treasury has already authorised.

It will, however, leave the contingency reserve somewhat larger than this year's, and is unlikely to be considered by the City as a "fudge".

The projected rise in the sale of council houses represents a revised Treasury forecast compared with its last projection in the February White Paper. The Treasury had hoped to keep this "windfall" to help reduce the spending total and to help make way for tax cuts.

However, the Cabinet decided that the proceeds for council house sales should be "given back" to the Environment Department to prevent it being forced into cuts in the housing programme.

Mr Lawson's statement will not show totals for 1985-87 and 1987-88. Figures for these

years have caused a great deal of argument between ministers and the Treasury had at one time hoped to include them in the Autumn Statement.

However, the Treasury's computer will not be able to process these years in time. They will come out in February with the full spending White Paper. Fears in the pensions industry that Mr Lawson will announce an attack on the tax privileges of pension funds can be discounted. The Autumn Statement is unlikely to include any reference to this subject.

Although the Treasury is working out options for possible inclusion in the Budget in March, the study seems to be bogged down in technical difficulties at the moment.

Mr Lawson will make an inflation forecast for 1985. He will probably go for 4 per cent by the year end although this would be about 1 percentage point higher than the consensus of outside forecasters.

Nigeria starts to pay trade debts

BY PAITI WALDMER

NIGERIA'S long-awaited move to tackle about \$3bn (£2.37bn) in uninsured trade debts has begun with the issue of some \$250m in promissory notes to its largest creditors.

The notes apply only to dollar debts and are the first since Nigeria agreed refinancing terms with about 350 creditors last April. The huge arrears have built up over the last few years as falling oil prices sapped the country's foreign exchange income and gravely weakened its ability to meet its debts.

Nigeria's Central Bank estimates that between \$5bn and \$6bn is owed to insured and uninsured creditors, but claims for substantially more than that are believed to have been submitted.

Chase Manhattan Bank has been asked to reconcile claims by insured and uninsured creditors for more than six months—matching exporter trade debts, which are believed

to represent as much as half the total arrears. Western export credit agencies are refusing to renegotiate the debts until Nigeria agrees a \$2.5bn loan with the International Monetary Fund.

As an interim measure, Nigeria has agreed to pay these creditors early next year an instalment representing one year's interest from January 1984, calculated at the same rate as that agreed for uninsured debts.

The Nigerian Government has decided to extend the validity of 1984 import licences for all categories of goods until the end of February 1985, in an attempt to avoid further trade disruption following recent changes in import inspection procedures.

Many exporters had feared that they would be unable to make full use of the licences which are due to expire at the end of December.

Under the Townsend Thoresen deal, Channel Stevedores, a Portsmouth-based handling company, says it will provide for continuity of working free of industrial disruption over the period of the agreement.

In the event of industrial action during the life of the agreement, which started yesterday and runs until December 31, 1985, Townsend would be liable to sue Channel Stevedores for breach of contract.

It is likely that Townsend could also sue those taking the industrial action and their union, under the Government's labour legislation. Since those taking action would not be Townsend employees, the company would be able to sue the strikers over secondary action, under the Employment Act 1980, and bring in the union under the 1982 Employment Act.

The deal will give Channel exclusive handling of all Townsend's freight traffic through Portsmouth, about 75 per cent of the port's continental untraded freight.

India

detailed investigations into claims that his own Congress Party's activists incited riots and violence.

Daily life is now, almost back to normal, apart from continuing night time curfews in many areas and numerous security patrols.

There is no pressing need for him to take major policy decisions before the election. But within two or three months of his expected victory he will have to demonstrate his worth in at least two areas.

First, he will face key policy issues, especially concerning the continuing problems in the Sikh's home state of Punjab which is still under president's rule with unsolved Sikh grievances.

Second, he will have to show he is a broad based leader, drawing on his advisers, with support and strength from a wide spectrum of opinion. Otherwise rifts will emerge within his party when those left out start grumbling, weakening his ability to govern.

No-strike deal for ferry company

By Philip Bassett, Labour Correspondent

TOWNSEND THORESEN, the UK ferry company, yesterday broke new ground by signing a legally-enforceable contract with a freight handling company which provides for no industrial disruption for the life of the two-year deal.

The deal is thought to be one of the first no-strike agreements which are legally binding. Because it is a commercial contract between the two companies, however, the union involved is not directly covered by the contract.

Deals with "no-strike" provisions have been signed previously, mainly by the electricians' union and several high-technology companies, many of them Japanese. But most of those deals do not include specific no-strike arrangements, being aimed rather at preventing industrial action being taken. They are not legally enforceable.

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Mr Bob Kirton, Townsend's operations director at Portsmouth, stressed the positive aspects of the deal, and said he was sorry that some parties were not viewing it in that light.

Townsend is moving much of its operation to Portsmouth from Southampton, including the specialised roll-on, roll-off freighter Viking Trader, partly because of industrial disruption at Southampton and particularly because of the two national dock strikes earlier this year.

Townsend said the deal was endorsed by dock workers' representatives, but local leaders of the Transport and General Workers' Union yesterday disputed this.

Mr Alex Hodder, TGWU Portsmouth district secretary, said the union had not been involved in reaching any deal, and his union would not "enter into agreements with a third-party contractor who has no jurisdiction over our members' jobs." He met Channel yesterday, and expressed forcibly his members' annoyance that Townsend was making commercial capital out of a sincere working relationship.

THE LEX COLUMN

Landslide falls on Wall St

Index rose 7.1 to 900.1

The U.S. financial markets had discounted a landslide victory for President Reagan so completely that by last Tuesday anything less than the election of a dyed-in-the-wool conservative Congress would have left speculators feeling rather flat. As it turned out, the Election Night hangover knocked two points off the U.S. long bond on Wednesday, leaving investors unresponsive to the Treasury auctions, and Wall Street has been looking bluish ever since.

Now the election is over, the markets in any case need a new beacon. Action on the Federal deficit is not, however, likely to provide it.

Mr Reagan can hardly raise taxes so soon after promising not to, and cuts in non-defence spending will be hard to get through a still Democratic House of Representatives. Moreover, the economic slowdown that is so popular in the bond market may not seem so attractive if it results in lower tax revenues, deepening the fiscal deficit.

In any event, the effects of Federal spending on the domestic economy seem to be wearing off. Increasingly, it has expanded the volume of net imports, offsetting the capital inflows required to fund the Federal Budget. This presents the Federal Reserve with a tricky problem in timing, the rising need for foreign funds is likely to run up in earnest against the desire to keep the U.S. economy going with lower interest rates.

For the moment, sterling market appear comfortably insulated from these worries. As the dollar eases back from its pre-election excursions, the pound has stabilised—though with half an eye on Opec and the miners. Since there is still plenty of cash in the market, and optimism for further cuts in bank base rates, gilt-edged have been chosen to ignore New York. So have the building societies, finally retreating from their summer increases in mortgage rates.

BTC British Technology Group emerged yesterday from three

To some extent the Hill Samuel shares have been driven down by the evident determination of its board to guard the bank's independence. This at least appeared to have impressed the market in the first half of 1984, after a decade or so of merger rumours.

The unexpected rights issue of the summer also appears to have been a burden on the price, in the short term at least.

More recently a strong financial position has probably improved Hill Samuel's rating, just as it has Hambros'. The operating performance of the group could be attracting new buyers, too, with all the UK banking activities, showing useful gains in the first half to account for most of the jump in disclosed net income from £10.5m to £12.2m.

Though apparently resigned to losing NRDC's right of first refusal on the fruits of publicly funded research, BTC believes its knowledge of Academe will give it opportunities to marry invention and industry that might escape banks and more orthodox venture capital houses. Now BTC's more glamorous patents are expiring, it can expect little more than £15m a year to spend on the marriage business—a drop in the oceans of actual research expenditure and capital investment. But in deploying relatively small amounts at the very earliest commercial stages of a new process, perhaps BTC may show the private sector the way—provided it puts its risks where its mouth is.

Bid hopes, though, still look a strong influence. With Wood Mackenzie on board and market making—plans progressing steadily, Hill Samuel belongs to that new category of fashionable bid targets, the ready-assembled financial supermarkets. Prospective purchasers should not expect to be shown around the premises.

Lourho/H. of Fraser After selling its 29.9 per cent block, any new purchase of House of Fraser shares by Lourho cannot fail to arouse the market's suspicion that Mr Rowland is playing ducks and drakes with the official rulings on Lourho's maximum permissible stake. At the very least, this is another reminder of the inadequacy of bare equity percentages as measures of any single shareholder's effective influence. If the 1981 ruling should be upheld barring Lourho from a full bid, the Government surely ought to ensure that steps are next taken to implement the spirit as well as the letter of the law.

Hill Samuel The stock market's second thoughts about 1988 And All That have hit the merchant bank sector hard in recent months. The capital needs and operating uncertainties of the restructured City are clearly now thought a Bad Thing, while last year's bid premiums look increasingly historical.

Hill Samuel's shares closed unchanged at 293p after yesterday's interim results and are 16 per cent below their peak—a level which compares well with the fall in other bank shares; but Hill Samuel has also been the most volatile performer in the sector.

U.S. bank watchdogs end curb on Venezuela loans

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

U.S. GOVERNMENT agencies responsible for supervising the banking industry have removed the damaging sub-standard classification imposed in March on U.S. bank lending to Venezuela.

The decision was taken this month at a secret meeting of representatives of the Federal Reserve, Federal Deposit Insurance Corporation and Comptroller of the Currency.

It is a boost for Venezuela's efforts to reschedule about \$20.75bn (£16.25bn) in public sector foreign debt.

Mr Manuel Azpurua, Venezuela's Finance Minister, said last night in Caracas: "It is very important that the classification will now be regular." The sub-standard classification does not force banks to set aside loan provisions on the loans affected, but is a clear signal that such provisions will become mandatory if normal debt service does not resume quickly.

In Venezuela's case the authorities were apparently impressed by Venezuela's efforts to pay off several hundred million dollars of arrears on public sector loans since the sub-standard classification was imposed.

Mr Azpurua said: "The public sector is up to date and the private sector is improving. We are trying to pay as much as possible before the end of the year."

Bankers in New York say, however, that the U.S. authorities took the unusual step of insisting that a sub-standard classification would be reimposed automatically on any loans where interest was more than 90 days overdue.

This is seen as an effort to spur Venezuela into making good the final arrears on private sector loans.

India

detailed investigations into claims that his own Congress Party's activists incited riots and violence.

Daily life is now, almost back to normal, apart from continuing night time curfews in many areas and numerous security patrols.

There is no pressing need for him to take major policy decisions before the election. But within two or three months of his expected victory he will have to demonstrate his worth in at least two areas.

First, he will face key policy issues, especially concerning the continuing problems in the Sikh's home state of Punjab which is still under president's rule with unsolved Sikh grievances.

Second, he will have to show he is a broad based leader, drawing on his advisers, with support and strength from a wide spectrum of opinion. Otherwise rifts will emerge within his party when those left out start grumbling, weakening his ability to govern.

Miners Continued from Page 1

president. They want to replace them with a receiver and, ultimately, three new trustees.

In another case, North Derbyshire NUM officials have given an undertaking not to use the area funds for the purposes of the strike, while in a third case Mr Heathfield and Mr Arthur Scarrill, the NUM president, are faced with having to pay a £6,000 legal bill.

Sequestration of the NUM's funds, however, was suffering a setback, at least temporarily. Price Waterhouse, accountants appointed by the court to seize the union's assets for non-payment of a £200,000 fine, have managed to gain control of only £8,174, all of it in the UK. A further £2.7m has been frozen in a Dublin bank account and £4m has been traced to New York.

The decision by leaders of the transport unions to seek a blockade of coal and oil for power stations came after a two-hour meeting with Mr Heathfield and Mr Mick McGahey, the NUM vice-president. In a statement, the unions said that they would "demand of the International Transport Workers' Federation that a complete embargo will be sought of any imported coal into Britain and that no oil for power stations will be delivered in British ports."

The unions have also asked

Mr Norman Willis, the TUC general secretary, to meet Dutch unions to ask them to stop the Central Electricity Generating Board importing coal from its 2.3m stockpile in Rotterdam.

The CEBG, however, has no plans to import coal from Rotterdam and is not importing power station coal.

Mr Eccles's remarks, the second of the kind in two weeks, were again presented as the views of a large number of TUC leaders. He said: "With the strike dragging on so long, 100 per cent victory is not possible." The "great maturity" of union members had failed to respond to calls for support.

Mr Willis later issued a statement saying that Mr Eccles's comments did not conform to general council or Congress policy and did nothing to assist in bringing the NCB back to negotiations.

This second rift between the two most senior officials of the TUC betrays increasing strains among union leaders as the strike drags on with no settlement in sight. Mr Eccles's claim to speak for a wider constituency than himself is privately supported by other leaders.

All are now holding fire for further initiatives until November 19, by which date miners must return to work if they are to benefit from the NCB's offer of a 2650 Christmas bonus.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		FALLS	
Exc 91pc 98 A (£20) £20 1/2 + 1/2	King & Shaxson ... 176 + 11	Lucas Inds ... 229 + 5	SA Land ... 296 - 6
Com 10pc 2002 ... 199 1/2 + 1/2	Lucas Inds ... 229 + 5	M&K Electric ... 325 + 5	SA Land ... 296 - 22
Applied Comput ... 150 + 1/2	M&K Electric ... 325 + 5	Morson ... 182 + 12	
Automated Security 185 + 10	Polly Peck ... 240 + 10	Samuelson ... 825 + 75	
Brikat ... 213 + 20	Savoy Hotel A ... 338 + 16	Suolight Services ... 233 + 8	
Clive Discount ... 67 + 6	Superdrug Stores ... 375 + 8	Tesco ... 210 + 8	
Comcap ... 220 + 25	Unio Discount ... 730 + 25	Hunting Petroleum 130 + 6	
Dostan ... 340 + 14	Oliver Prospecting 180 + 25		
Debenhams ... 203 + 8			
Dunlop ... 32 + 3			
Grattan ... 142 + 8			
Greenfields Leisure 45 + 4			
GKN ... 180 + 7			
House of Fraser ... 310 + 8			
Johnson Matthey ... 143 + 8			

WORLDWIDE WEATHER

UK today: Generally warm. Showers in England and Wales. Brighter later in Scotland and N. Ireland. Outlook: Uncertain.

Y day		Y day		Y day		Y day	
city	temp	city	temp	city	temp	city	temp
Algeria	23 72	Conu	S 22 72	Luxembg	F 10 50	Peking	S 13 55
Algiers	27 81	Delia	S 22 72	Moscow	F 19 65	Perth	F 21 70
Amsdam	C 13 55	Dublin	F 12 54	Madrid	C 11 52	Plym	S 8 48
Athens	F 20 68	Edinb	S 20 68	Marseilles	C 19 66	Prague	C 8 48
Bahrain	C 31 88	Edinbgh	F 11 52	Osaka	O 15 59	Rhodes	S 21 70
Batavia	R 18 64	Faro	R 15 53	Paris	S 25 77	Rio Jato	—
Bombay	—	Florence	S 17 63	Reims	R 10 40	Rome	S 21 73
Buenos Aires	F 11 52	Frankfr	F 8 45	Saltzbrg	S 21 69	Sao Paulo	F 7 45
Calcutta	S 18 64	Geneva	C 15 53	Seoul	C 3 37	Singapore	F 9 48
Canton	F 10 50	Gibrr	F 15 53	Sydney	S 23 73	Sofia	—
Cebu	C 12 55	Guang	F 11 52	Taipei	C 13 53	Stockholm	F 11 52
Colon	C 9 48	Hong Kong	C 12 54	Tokyo	C 4 38	Stockholm	C 5 41
Hankow	S 18 64	London	F 11 52	Ulanbator	C 3 37	Strasbourg	C 6 43
Hong Kong	C 12 55	Manila	F 15 53	Ulanbator	C 3 37	Sydney	S 23 73
Hong Kong	C 12 55	Manila	F 15 53	Ulanbator	C 3 37	Sydney	S 23 73
Hong Kong	C 12 55	Manila	F 15 53	Ulanbator	C 3 37	Sydney	S 23 73

Cloudy, D-Drizzle, F-Fair, P-Pog, R-Rain, S-Sunny. Noon GMT temperatures.



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Selfies 110

FINNS START TO FLY • ESSILOR UP 146 PLACES • UK COMPANIES LESS DOMINANT

FOR THE third year running, Europe's biggest publicly quoted companies are ranked in the FT 500.

In two main lists, the European 500 and UK 500, companies are ranked by market capitalisation taken as an average for the month of June. This yardstick is the best guide to the company's worth in the eyes of investors. It is a sensitive guide to performance over time.

Moreover, market capitalisation gives proper weight to banks, whose positions are distorted in lists based on total sales.

In the European list, values are stated in U.S. dollars to make comparisons possible — an exercise which this year understates the

figures in relation to last year's list because of the depreciation of European currencies.

The survey also analyses the key figures on each company — turnover, profits, employment and return on capital.

The stock market varies in importance from one country to another. In the UK it is strong and active, in Germany banks play a larger part in corporate finance and in France and Italy many of the biggest businesses are state-owned. To take account of these, we include for the second year a list of the top 100 European enterprises, whether publicly or privately owned, ranked by total turnover.



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Europe rides the back of the bull

BY STEFAN WAGSTYL

EUROPE'S top 500 companies are together worth more than ever on Europe's stock markets.

Riding the crest of economic recovery, bourses in all 14 countries surveyed — except Greece — advanced in the year to the end of June. Most reached all-time records during the 12 months.

The market values of the leading 500 companies moved ahead accordingly. To join this year's list a company had to be worth at least \$145m, against \$142m last year. The increase is greater than it appears since most European currencies have depreciated against the unit of measure, the U.S. dollar, over the year.

As the bourses raced ahead some companies moved faster than others. There are 48 new entrants in the FT 500 and top of the class is international news agency Reuters, now a publicly-quoted company and in at 92. The first Greek company comes in at 894 — the National Bank of Greece.

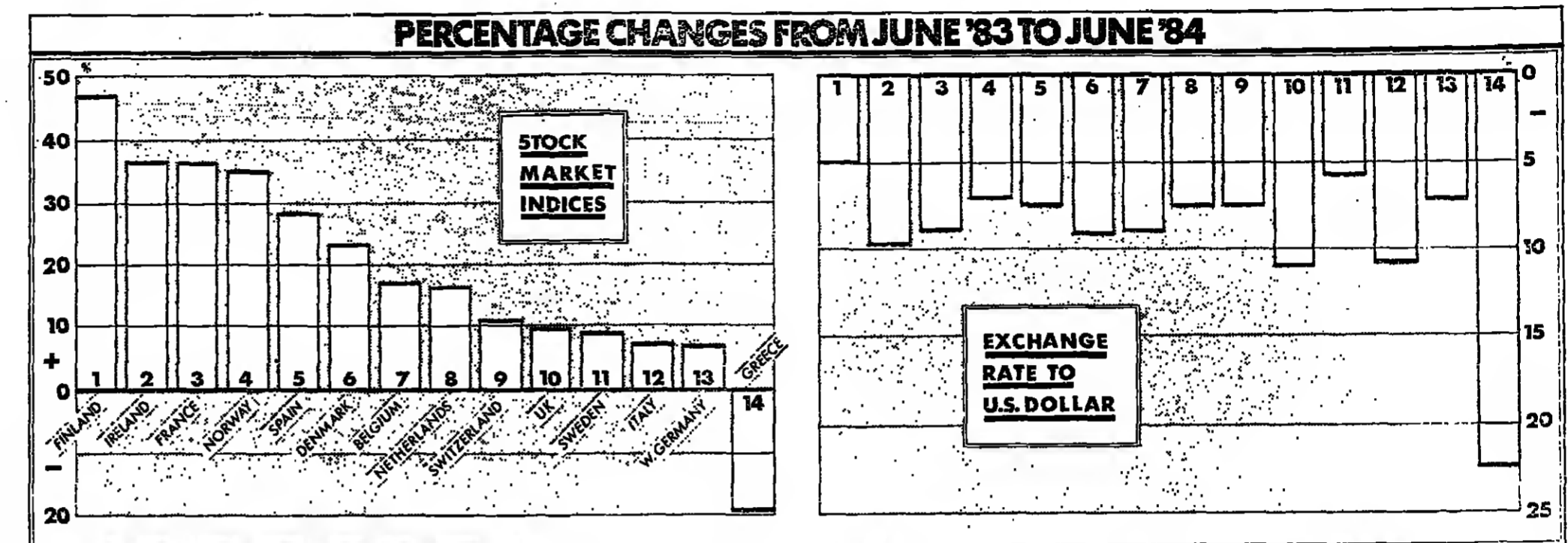
Among those which have been forced to make way for the newcomers is Dunlop, the once-mighty rubber company.

At the top of the 500, Royal Dutch/Shell and British Petroleum increase their lead, but Daimler-Benz overtakes GEC to take third place. Glaxo loses a little of its glamour rating, dropping out of the top ten, its place taken by BAT Industries.

The most spectacular gains have been made by companies from Finland, buoyed by a bourse which rose 47 per cent and a currency that depreciated only 5 per cent against the dollar — the lowest of the 14 countries surveyed. There are now 12 Finnish companies in the FT 500, up from 7 last year: the highest placed are two banks — Kansallis Osake Pankki, up 160 places to 161, and the Union Bank of Finland, up 106 to 181.

Among the larger stock markets, Paris made the greatest gains as investors' initial fears about President Mitterrand's Socialist government receded.

Lens maker Essilor, up from 413 to 263, and consumer credit group Bancaire, up from 308 to 178, made two of the biggest leaps up the middle reaches of the 500.



Nearer the top, L'Oreal, the health and cosmetics group, the BSN food group, Esso Francaise and Pernod Ricard overtook some other distinguished names of European businesses.

French investors clearly had a fancy for food, fashion and leisure: among nine new French companies in the list for the first time were Accor International (hotels), Promodes (clothing shops) and Martell (brandy).

The UK features prominently in the European 500 with 223 companies on the list, quoted on a stock exchange which is far more active than any on the Continent. It is no surprise that British companies head the ranks of both best and worst performers. Booker McConnell, a food company subject to a takeover bid, is up

180 places to 278. Berratt Developments, a housebuilder which overestimated its market, is down 220 to 360. Empire-building holding companies BTR and Hanson Trust continue their climb up the rankings — BTR to 16, and Hanson to 37.

However, the UK's dominance is slowly slipping, with the number of companies down from 229 last year and 234 the year before. In part this is due to the decline in the pound, and in part a result of the growing capitalisation of other European bourses.

In Germany, the stock market highlight was the failed bid by the Allianz Versicherung insurance group for the UK insurer Eagle Star. Allianz moved up 5 places to number

23 in the 500 and sparked a general rerating of insurers, notably of Victoria Lebens and Colonia Versicherung. The ripples spread abroad to the Dutch companies Nationale-Nederland and Aegon (a new group born of a merger) and to the depressed UK insurance industry, where the ranking of Phoenix Assurance among others improved.

While developments in insurance were exceptional, a glance across other European industries also finds evidence of cross-border movements in market sentiment. Broadly, the swing of the economic cycle has brought back into favour many cyclical stocks unloved a year or two ago. Investors have looked more critically at one-time favourites, notably in high-technology.

The shift is clearest in Sweden where electronics groups Astra and L. M. Ericsson, and pharmaceuticals companies Astra and Pharmacia have slipped back, while companies in older industries have moved up — Volvo, Saab-Scania, Electrolux and Sandvik.

Elsewhere, Dutch steel-maker Hoogovens, German tyre-manufacturer Continental Gummiwerke, and electrical group AEG-Telefunken have bounced back.

There are of course high technology companies which have bucked the trend running against them — Olivetti in Italy, Philips Kommunikations Industrie in Germany and BSR in the UK are all up.

The economic cycle has brought oil and chemicals com-

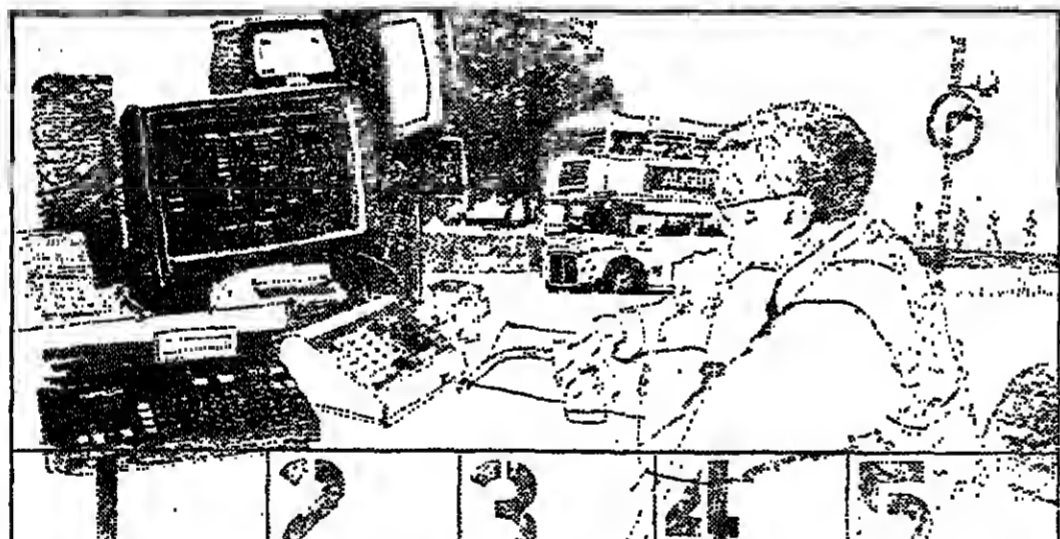
panies back into favour. Elf Aquitaine, Norsk Hydro, Solvay and Akzo have all moved closer to Shell and BP at the top of the list. Lower down the rankings, exploration-oriented companies have leapt about with Lasmo and Ultramar coming down, and Charterhouse Petroleum shooting up.

Banks have had a mixed year. Spanish and Belgian financial groups are up, but the big four UK clearing banks are down in the wake of unfavourable tax changes. The Swiss banks are unmoved.

Finally, good news for the British Government planning the public flotation of British Airways. The publicly-quoted airlines KLM, Lufthansa and Swissair all jumped in the rankings.

● STATISTICAL information for this survey was compiled by Dick Whittington, Anne Dufforce, Sue Hopkins, Vicki Sutcliffe and Ian Holiday, with assistance from the staff at Exel Statistical Services, in particular Derek Fitches. The survey was co-ordinated by Stefan Wagstyl and Carla Rapoport.

● FOR REPRINTS (Price £10), which will include addresses, telephone and telex numbers of the companies listed, contact Nicola Banham, The Financial Times, Bracken House, Cannon Street, London EC4P 4EY.



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EUROPE 500

1-200

Ranking 1984	1983	Company	Country	Sector	Capital \$m	Turnover		Profit		ROCE	Year end	Employees				
						this year \$m	last year \$m	% change	this year \$m				last year \$m	% change		
1	(1)	Royal Dutch/Shell	UK	Oil	43,588.3	51	1	85,522.1	76,573.7	11.7	10,871.0	8,991.0	20.9	28.8	31.12.83	156,000*
2	(2)	British Petroleum	UK	Oil	11,860.4	51	2	44,697.5	40,404.5	10.6	3,671.3	3,174.7	-12.5	16.2	31.12.83	131,600*
3	(4)	Agip	UK	Oil	7,032.6	9	10	14,094.0	14,204.2	2.8	1,857.9	1,833.3	-0.9	26.2	31.12.83	104,772
4	(3)	General Electric Company	UK	Electrical	6,956.4	0	24	6,771.4	6,771.4	0.0	923.5	923.5	0.0	31.1	31.12.83	101,752
5	(5)	Siemens	GER	Electrical	6,248.2	4	11	14,410.7	14,642.7	-1.6	653.3	675.8	-3.4	8.3	30.08.83	313,000
6	(7)	Unilever	UK	Consumer Goods	5,030.7	62	—	NR	NR	—	246.4	203.4	24.4	14.4	31.12.83	17,237*
7	(10)	Shell	UK	Oil	4,807.8	25	17	12,281.9	12,119.8	1.0	1,073.8	943.2	13.8	16.6	31.12.83	140,000
8	(8)	Imperial Chemical Industries	UK	Chemicals	4,763.4	42	18	11,371.0	10,124.2	12.2	852.5	356.7	139.0	15.2	31.12.83	117,900
9	(9)	Unilever NV/PLC	UK	Consumer Goods	4,461.7	26	3	18,399.9	18,107.0	1.3	1,063.6	893.7	16.0	17.8	31.12.83	306,000*
10	(11)	BAT Industries	UK	Consumer Goods	4,418.3	36	0	16,315.5	15,589.3	4.7	1,263.4	1,170.0	7.4	24.8	31.12.83	107,173*
11	(11)	Glaxo Holdings	UK	Consumer Goods	4,294.5	27	142	1,418.2	1,192.6	16.7	255.0	184.1	44.0	34.4	30.12.83	27,768
12	(11)	Marlboro and Spacorr	UK	Consumer Goods	4,151.4	38	47	3,591.5	3,450.8	3.9	384.7	329.0	16.7	22.0	31.12.83	56,078
13	(14)	Deutsche Bank	GER	Banking	3,882.1	2	—	NR	NR	—	478.5	448.8	6.9	11.2	31.12.83	47,256*
14	(12)	R.W.E.	GER	Banking	3,507.4	55	22	8,505.5	8,759.8	0.5	619.5	630.5	-1.7	8.8	30.08.83	70,354*
15	(15)	Swiss Bank Corporation	SWI	Banking	3,338.2	62	—	NR	NR	—	284.8	249.6	14.1	12.9	31.12.83	14,347*
16	(26)	BTR	UK	Consumer Goods	3,282.0	10	73	2,712.6	2,966.6	-17.1	226.0	146.9	59.9	42.5	31.12.83	62,500
17	(17)	Grand Metropolitan	UK	Consumer Goods	3,181.5	22	27	6,154.8	6,300.6	-1.9	403.9	302.3	34.1	27.2	30.09.83	114,933
18	(34)	Gardiner & Theobald	NET	Banking	3,181.1	51	—	NR	NR	—	43.9	41.9	4.8	10.0	31.12.83	35,900
19	(13)	Swissair	SWI	Air Transport	3,078.5	7	2	2,871.5	2,844.7	14.2	389.0	320.0	13.0	33.0	31.12.83	26,900
20	(16)	Philips	NET	Consumer Goods	3,054.8	4	8	14,358.7	13,924.8	7.4	4,482.8	378.6	1,080.9	8.2	31.12.83	343,000
21	(24)	Ciba	GER	Pharmaceuticals	3,031.6	42	13	13,631.4	12,772.9	7.2	787.7	354.0	123.1	17.3	31.12.83	174,800
22	(20)	Ciba-Geigy	SWI	Pharmaceuticals	3,005.4	42	25	6,498.0	6,049.3	6.8	240.0	225.5	7.9	31.12.83	79,173*	
23	(19)	Conifera	UK	Consumer Goods	2,999.0	42	54	3,280.1	3,280.1	0.0	217.1	177.9	22.0	10.9	31.12.83	12,500*
24	(21)	Hoffmann-La Roche	SWI	Pharmaceuticals	2,830.9	62	—	NR	NR	—	1,433.9	1,232.2	16.8	18.4	31.12.83	46,853*
25	(20)	Allianz Versicherung	GER	Insurance	2,827.7	66	—	NR	NR	—	288.5	210.8	26.6	NR	31.12.83	15,694*
26	(28)	Hoechst	GER	Chemicals	2,714.4	42	14	13,577.7	12,772.6	6.3	716.6	371.4	82.4	15.0	31.12.83	178,849
27	(37)	Vodafone	UK	Telecommunications	2,712.4	9	16	1,222.4	1,222.4	0.0	495.8	274.0	77.0	20.4	31.12.83	75,206
28	(38)	Elf Aquitaine	FRA	Oil	2,700.1	61	7	15,823.1	13,628.2	18.7	2,056.3	1,843.5	7.9	29.5	31.12.83	77,631
29	(31)	BSF	GER	Consumer Goods	2,619.6	42	12	13,819.0	12,715.3	8.6	612.3	369.1	66.9	14.4	31.12.83	73,458
30	(25)	Rio Tinto-Zinc Corporation	UK	Metals	2,598.4	31	23	6,538.3	5,589.9	30.7	762.2	493.7	52.7	11.3	31.12.83	73,458
31	(22)	Generale	ITA	Banking	2,582.0	68	—	NR	NR	—	37.3	30.8	21.1	NR	31.12.83	N/A
32	(38)	Scania	SWI	Automotive	2,548.3	82	—	NR	NR	—	190.0	145.8	25.5	26.6	31.12.83	56,536
33	(25)	Sarcellys Bank	UK	Banking	2,416.0	62	—	NR	NR	—	167.2	162.0	2.5	25.1	31.12.83	74,889*
34	(23)	Plessey Company	UK	Consumer Goods	2,323.5	12	—	NR	NR	—	205.6	201.6	2.0	29.7	31.12.83	38,283*
35	(35)	CEBA	GER	Banking	2,044.1	11	4	17,888.9	16,400.0	9.7	509.9	509.9	0.0	—	31.12.83	77,157
36	(41)	Cable and Wireless	UK	Telecommunications	1,982.6	5	203	903.4	566.5	44.8	261.8	215.8	21.3	24.3	31.12.83	24,428
37	(80)	Hanson Trust	UK	Consumer Goods	1,971.6	1	109	2,043.3	1,591.6	29.2	150.0	102.4	46.7	NR	31.12.83	50,000
38	(45)	Grand Universal Stores	UK	Consumer Goods	1,915.7	34	88	2,796.9	2,540.4	10.1	312.0	277.4	12.5	31.1	31.12.83	N/A
39	(46)	Land Securities	UK	Real Estate	1,882.8	89	—	NR	NR	—	115.7	107.7	7.4	6.2	31.12.83	81,816*
40	(53)	National Westminster Bank	UK	Banking	1,853.1	61	—	NR	NR	—	62.8	60.4	3.8	12.1	31.12.83	80,869*
41	(54)	Petrofina	BEL	Oil	1,841.0	61	21	9,191.7	8,894.8	0.8	1,106.6	1,130.4	-2.1	44.8	31.12.83	21,000
42	(40)	Vodafone	UK	Telecommunications	1,830.4	9	16	1,222.4	1,222.4	0.0	495.8	274.0	77.0	20.4	31.12.83	75,206
43	(42)	BMW	GER	Automotive	1,800.0	8	38	4,380.4	3,561.6	24.2	332.2	280.0	18.0	22.7	31.12.83	50,188*
44	(52)	Boots	UK	Consumer Goods	1,807.7	34	79	2,824.3	2,300.1	69.7	227.4	183.0	24.6	31.1	31.12.83	89,136
45	(49)	Bass	UK	Consumer Goods	1,697.2	22	69	2,728.0	2,401.0	12.6	241.0	205.8	28.7	15.2	31.12.83	71,207*
46	(44)	Volkswagen	GER	Automotive	1,651.9	9	148	16,298.5	13,667.2	0.7	1,011.9	57.0	78.9	8.2	31.12.83	222,000
47	(43)	Siemens	GER	Electrical	1,651.9	7	16	14,358.7	13,924.8	3.1	1,513.2	1,018.2	49.8	16.4	31.12.83	343,000
48	(42)	Siemens	GER	Electrical	1,586.6	61	124	1,684.6	665.0	148.8	807.4	344.2	134.8	61.8	31.12.83	2,665*
49	(27)	Ericsson, L. M.	SWE	Telecommunications	1,569.5	5	82	2,402.5	2,072.1	29.7	213.3	126.3	70.2	20.4	31.12.83	70,783
50	(50)	Imperial Group	UK	Consumer Goods	1,533.0	38	29	6,034.6	6,335.3	-6.0	299.0	212.6	28.6	19.1	31.12.83	57,000*
51	(51)	Zurich Insurance	SWI	Insurance	1,456.0	66	—	NR	NR	—	67.1	66.3	0.1	NR	31.12.83	23,335*
52	(61)	Distillers	UK	Consumer Goods	1,427.1	62	179	1,114.7	1,114.7	0.0	259.9	259.9	0.0	19.9	31.12.83	60,000*
53	(59)	Associated Dairies	UK	Consumer Goods	1,424.8	28	85	2,472.5	2,092.3	15.5	144.4	106.8	35.2	39.1	28.04.84	32,189
54	(58)	Allied-Lyeno	UK	Consumer Goods	1,420.5	22	42	3,206.0	3,640.3	0.7	258.4	216.8	22.1	16.5	31.12.83	46,294
55	(57)	Royal Insurance	UK	Insurance	1,427.3	68	—	NR	NR	—	136.5	132.9	0.2	NR	31.12.83	8,859*
56	(67)	Sandax	SWI	Consumer Goods	1,426.8	42	64	2,867.8	2,861.8	0.1	140.2	119.6	17.2	11.5	31.12.83	29,109*
57	(61)	Standard Telefonen	NET	Telecommunications	1,426.8	61	—	NR	NR	—	230.1	202.1	14.4	31.1	31.12.83	17,707*
58	(53)	Standard Telephone	UK	Telecommunications	1,426.8	61	—	NR	NR	—	230.1	202.1	14.4	31.1	31.12.83	17,707*
59	(43)	Acco	UK	Consumer Goods	1,424.6	09	49	3,730.3	3,191.4	17.3	245.4	189.5	29.0	13.8	31.12.83	55,660
60	(47)	Lloyds Bank	UK	Banking	1,415.6	52	—	NR	NR	—	577.1	453.1	27.4	23.5	31.12.83	69,287
61	(60)	Consolidated Gold Fields	UK	Metals	1,408.3	81	153	1,283.6	1,436.2	-10.7	125.6	133.3	-6.7	14.2	30.08.83	102,668
62	(59)	Scott's Baking	UK	Consumer Goods	1,391.5	24	78	2,549.3	2,189.1	16.9	218.1	181.4	21.4	14.2	31.12.83	58,273
63	(60)	Norsk Hydro	NOR	Oil	1,361.6	42	47	3,807.5	2,826.2	44.3	381.8	182.4	84.0	22.3	31.12.83	18,838
64	(78)	Air Liquide	FRA	Chemicals	1,348.2	10	102	2,031.4	1,984.7	19.9	237.7	196.1	19.2	24.4	31.12.83	26,200
65	(68)	Centrafina	BEL	Oil	1,348.2	10	102	2,031.4	1,984.7	19.9	237.7	196.1	19.2	24.4	31.12.83	26,200
66	(54)	Roche	UK	Pharmaceuticals	1,289.0	28	44	3,885.2	3,743.6	0.3	216.0	206.0	18.3	31.3	31.12.83	85,051
67	(54)	Roche	UK	Pharmaceuticals	1,289.0	28	44	3,885.2	3,743.6	0.3	216.0	206.0	18.3	31.3	31.12.83	85,051
68	(79)	Guaranty Royal Exchange	UK	Banking	1,226.6	62	—	NR	NR	—	188.2	146.3	15.0	NR	31.12.83	16,840
69	(55)	Commercial Union	GER	Banking	1,226.6	62	—	NR	NR	—	188.2	146.3				

EUROPE

500

301-500

Table listing 301-500 companies with columns for company name, country, and financial data.

Finns spread their wings

BY KEVIN DONE

THE GREATLY improved positions of Finnish companies in the FT 500 list together with a clutch of new arrivals reflects the rapid foreign expansion of the country's big industrial corporations.

The Finland twelve

- Kansallis Osake Pankki
Union Bank of Finland
Nokia
Wartsila Ab Oy
Kone Oy
Poljola Group
Rauma Repola
Huhtamaki
Kymmene Stromberg
Finnish Sugar Company
United Paper Mills
Partek

It is also a measure of the rapid foreign expansion of the country's big industrial corporations. It is also a measure of the surge in prices on the Helsinki stock exchange in 1982-83, a string of new share issues and the relative strength of the Finnish currency since the October 1982 devaluation.

Finnish industry developed late compared with the rest of the industrialised world but it has rapidly made up for lost time in recent years. It is now riding a wave of internationalisation with companies establishing marketing and manufacturing units abroad as well as seeking increasing access to foreign equity capital.

The 12 Finnish companies in the FT 500 — up from seven last year — exclude some of Finland's largest industrial groups which are state-owned, such as Neste in energy, and Enso-Gutzeit in forest products. But otherwise the list takes in the top two banks — KOP and Union Bank — the biggest insurance company — Pohjola — one of the largest shipbuilders — Wartsila — as well as some of the leading industrial conglomerates, Nokia, Rauma Repola and Kymmene Stromberg.

Kone, the engineering group specialising in lifts, materials handling equipment, and cargo access equipment for ships, led a move by Finnish companies to foreign stock exchanges when it gained a listing in Stockholm in 1982. It has since been joined in Wartsila became the first Finnish company to gain a listing on the London Stock Exchange. Monitoring Finnish companies is still something of an exotic practice for foreign investors, but they have been given an exciting ride in the past three years.

The KOP general shares index rose 37 per cent in 1982, and 65 per cent last year, before slowing to increase by 17 per cent in early 1984. But in spite of the gains Helsinki remains a very small market — market capitalisation at mid-year was Fmk 28,000 million and legislation limits foreign ownership to 20 per cent of the share capital of most companies.

The scope of the market is narrow and it has not always been possible to find enough unrestricted shares — those that can be bought by foreign investors — through the Helsinki market to satisfy the minimum requirements of big foreign institutional investors. Non-restricted shares have been quoted separately since the beginning of 1984 on the Helsinki exchange, but investors here had to pay a hefty premium.

FOOTNOTES TO COMPANIES ON THIS PAGE

Footnote text providing details for various companies listed on the page, including financial data and company information.

Advertisement for Kleinwort Benson with the headline "Let's put it to Kleinwort Benson" and contact information: 20 Fenchurch Street, London EC3P 3DB.

EUROPE

FT 500

The European top hundred by turnover

Table with 7 columns: Rank, Company name, Turnover (\$m), Ctry, Sector, Year end. Lists top 100 European companies by turnover.

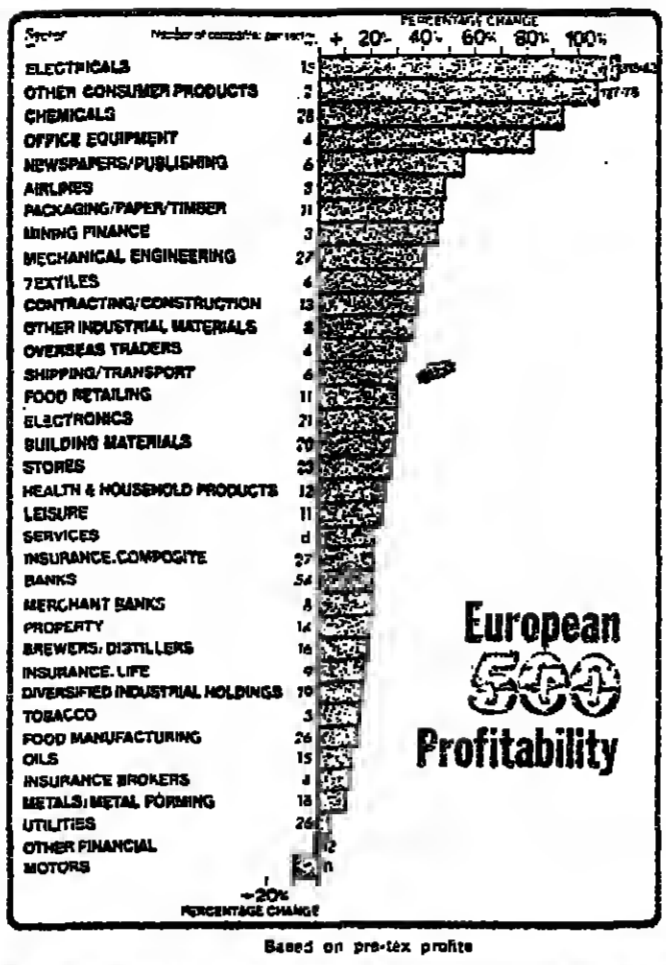


Table with 7 columns: Rank, Company name, \$m, Ctry, Sector, Year end. Lists companies ranked 51-100 by turnover.

Biggest profit increases (European)

Table with 5 columns: Company, Ctry, FT Euro 500 Rank, Sec, Profit Increase %. Lists companies with the largest profit increases.

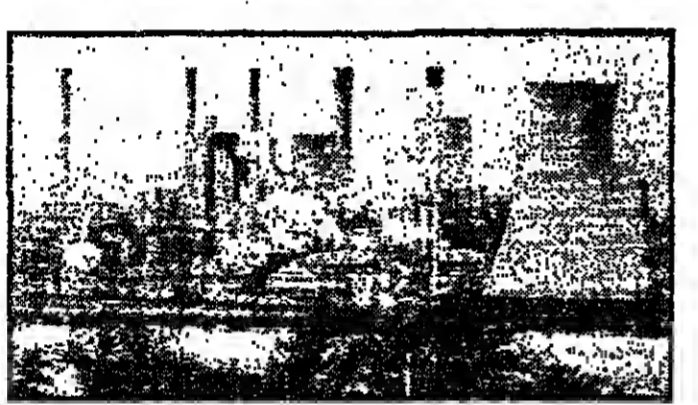
Biggest profit decreases (European)

Table with 5 columns: Company, Ctry, FT Euro 500 Rank, Sec, Profit Decrease %. Lists companies with the largest profit decreases.

Table with 7 columns: Rank, Company name, \$m, Ctry, Sector, Year end. Lists companies ranked 101-150 by turnover.

Oil giants in different class

IMAGINE that a megalomaniac financier has been putting together the conglomerate to end all conglomerates. Based in Europe, it spans most industrial sectors...



EP oil refinery at Grangemouth. The two big oil companies head the FT turnover lists by as big a margin as they lead those based on market capitalisation.

EP—was barely half the size of Shell, even though EP again does nearly twice as much business as the next comer. But although the top two places in the turnover list are predictably filled by the heavyweight companies...

sales, may even this strike-ridden year be only an also-ran in the contest to lose the most money. In this regard it has to contend with real heavyweights, such as the Italian state industrial holding company IRI.

Departures from European 500

Table with 5 columns: Company, Ctry, Last rank, Sec. Lists companies that have departed from the FT 500.

Table with 5 columns: Company, Ctry, Last rank, Sec. Lists companies that have departed from the FT 500.

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It exemplifies one of the pitfalls of using turnover to measure the size of companies at all.

Only on the basis of turnover could ENOC be regarded as in any sense as large a business as ICI, one is aware of the world's chemical majors, the other is a small government office standing between the commercial producers and purchasers of North Sea crude oil.

A-Z list of European top 500

Large alphabetical table listing the top 500 European companies with columns for Company, Rank, Ctry, Sector, and Year end.

Jeremy Stone

Handwritten signature in Arabic script: محمد احمد الوكيل

Self is its

EUROPE

FT 500

V

AEAGON

BY JEFFREY BROWN

The creation of a new Dutch insurance giant

JUMPING straight into the top 300 and after Reuters the second most important new entrant of the year, Aeagon, the Dutch insurance group, came into being almost 12 months ago after the merger of Ennia and AGO, two major Dutch underwriters.

Their combination into Aeagon has created the second biggest insurance operation in the Netherlands after Nationale Nederlanden. Total revenues in 1983 were Fl 5,500m, against Fl 1,300m for Nationale Nederlanden and Fl 500m for the number three in the Dutch insurance league, Amer.

Local rivals

Aeagon, whose net profits rose by a fifth last year and continue to move ahead in 1984, has a spread of international business as wide as any of its local rivals. More than half of revenues came from outside the Netherlands last year with almost a third arising in North America.

revenues stem from life business with 33 per cent accounted for by non-life underwriting. Operations outside insurance, such as holiday chalets in the Netherlands and West Germany, bring in some 5 per cent of revenues.

Aeagon's gross premiums in 1983 totalled almost Fl 5bn with non-life premiums rising ahead by more than a quarter. The company has 17 per cent of the Dutch life insurance market and 7 per cent of non-life markets.

Very roughly, this represents about half the respective insurance market shares held by Nationale Nederlanden.

Aeagon says that the main motive for the merger was a strengthening of local markets. Plainly, the two companies' businesses in the Netherlands came together in a remarkably neat geographical fit.

of automation which is due for completion by 1986. Aeagon's revenue account continues to expand this year despite a number of disappointing trading results. Non-insurance dipped into the red for the first half of 1984, and non-life business also lost money, turning a pre-tax profit of Fl 2m into a first half deficit of Fl 5m.

Brighter side

Dutch motor insurance is going through a bad time, and abroad Aeagon has been hit heavily by losses on transport insurance and re-insurance. The brighter side of the coin shows good gains in life business.

Group profits totalled Fl 288m before tax in 1983. For this first half of this year the result was Fl 172m, and the interim dividend went up to Fl 2.30 a share. Shareholders received a total payment of Fl 5.58 for 1983.

PROMODES

BY PAUL BETTS

French retailer shops abroad

PROMODES, the French retail group with sales of FFr 19.8bn last year and net earnings of FFr 203m, has grown into a major supermarket and hypermarket chain in the last five years. In a large measure this is as a result of international expansion.

During the last five years, the group has invested FFr 2bn for its domestic and international expansion and has seen its workforce grow from 13,000 people in 1979 to 20,000 last year. About 60 per cent of sales come from the group's supermarket and hypermarket activities compared to less than 30 per cent five years ago.

Promodes' international operations are concentrated in the U.S. and Spain, and the group also has a presence in West Germany. In the U.S., Promodes first acquired in 1980 the Red Food Stores chain of supermarkets based in Tennessee but with stores also in Georgia and Alabama.

The U.S. chain had sales of \$377m last year and this first U.S. investment has been followed with the acquisition last year of Houehens Industries, another supermarket chain based in Kentucky.

venture in the Chicago area and has set up an international trading operation with a branch in New York.

In Spain, the French group owns a hypermarket chain, wholesale outlets and a chain of discount stores. In West Germany, it is present in the hypermarket sector through an association with the West German Schaper distribution group.

These international activities, especially in the U.S., have enabled the French retailers to continue to see its sales and profits grow, despite a generally difficult situation on the French home market due to the recession and the freeze in prices and wages which have had an inevitable impact on margins.

In France, where the group has 40 supermarkets and 23 hypermarkets and major wholesale distribution operations, Promodes has been seeking to diversify into the cafeteria business and into a cosmetic and perfume specialty shops venture.

But the company is not alone among major French retailers to have set its sights essentially on the U.S. market for future growth. Euromarche has just launched its first hypermarket venture in the U.S. Casino and Doucs de France has also built an important American presence.

ALLIANZ VERSICHERUNG

BY JOHN DAVIES

West German insurer with knack of making money

THE ALLIANZ insurance group of West Germany seems to have a knack for making money, but is still nursing its wounds from its luckless takeover battle for Eagle Star of the UK.

Normally shy of publicity, the Munich-based group has attracted wide attention over the past year and its share quotations and market capitalisation have bounded ahead.

In the FT Top 500 list, Allianz Versicherung has moved from number 30 to 25.

Allianz claims to have about 16 per cent of the West German general insurance market and over 14 per cent of the life assurance business. It is easily the biggest insurance concern in the country.

A prestigious and rich organisation, its influence is felt widely but discreetly in West German business circles. Dr Wolfgang Schieren, who has presided over Allianz since 1971, is considered a powerful figure.

On its home terrain, Allianz feels its scope for expansion is limited. For one thing, the Cartel Office is thought likely to look askance at a move by Allianz to expand through takeovers. But to expand business otherwise could take time and money.

for years been building its interests abroad, including Europe, the U.S., South Africa and Australia. The West Germans are still unhappy with the rebuff they suffered last year in their bid for Eagle Star of the UK, even though they bought it with a "consolation prize" of a DM 550m profit on the sale of its Eagle Star stake to BAT Industries.

Allianz executives have continued looking for suitable partners or takeover prospects abroad, and in the process have just taken a stake in the RAS Group in Italy. With this activity going on, investors have been watching Allianz like a hawk.

Another reason for a flurry of investor interest lately was speculation that insurance and investment interests might be split, with a consequent share revaluation.

Worldwide the Allianz group scooped in DM 15.4bn in premiums last year, an increase of 10.8 per cent. While its premium income in Germany was up 7.6 per cent, its premium income from abroad, notably the U.S., was up nearly 30 per cent to DM 2.6bn.

The group increased its earnings from both insurance business and from investments.

With net profit up nearly a quarter to DM 255m last year, Allianz Versicherung paid a conservative dividend of DM 10 per share once again, while the life assurance company paid a steady DM 8 dividend on its net result of DM 49m, up 11 per cent.

Allianz Versicherung shows capital investments valued at DM 12bn, while the life assurance affiliate, Allianz Lebens, has a further DM 40bn.

The life assurance company is Versicherung and 46 per cent by Munich Re-Insurance, which in turn is closely associated with the Allianz group.

Munich Re has a 25 per cent stake in Allianz Versicherung, which otherwise offers a wide market for trading.

Apart from its dividend, Allianz Lebensversicherung has nurtured its shareholders lately through the issue of new shares offering instant capital gains.

One cloud on the horizon, however, is the big hanks' growing interest in the life assurance market as a means of capturing an increased flow of savings. With West Germans saving an estimated DM 40bn a year in the form of life assurance premiums, the commercial banks are out to get a slice of the business through offering savings schemes with life assurance benefits.

HOOGOVENS

BY IAN RODGER

WERELDHAVE

Steel recovery lifts it up the ladder of success

IT IS hard to imagine any steel company appearing in a place of honour in the FT 500.

But Hoogovens of the Netherlands has done it. It is one of the companies that has moved up the ladder most in the past year. Specifically, its market value has jumped 87 per cent, enabling it to climb 158 steps in the table. Only three other companies have climbed more.

Moreover, it appears that the dramatic rise in the Hoogovens share price in the past two years is due almost entirely to improved performance. The steel business in Europe has at long last started to improve in the past year and aluminium, which is another large business for Hoogovens, has been in strong demand until recently.

The key, however, is that Hoogovens, because of its substantial restructuring efforts and a few natural advantages, has benefited more from the recovery than its competitors. It was the first major steel producer in Europe to return to profits this year (after five years of losses) and its prospects look distinctly better than others. It was even able to launch a Fl 130m rights issue on the stock market earlier this year.

The rise in the Hoogovens share price can be traced to mid 1982 when a disastrous merger with Hoesch of West Germany was dissolved. At the time, the shares were worth about Fl 14; last week, they were quoted at Fl 65.

When it separated from Hoesch, Hoogovens appeared to have a lot of excess capacity, and so it embarked on a Fl 3.2bn three-year programme, supported with Fl 1.5bn of state aid, to reduce steelmaking capacity.

However, by a stroke of luck, this programme was not too far advanced when the sharp market improvement began late last year. While other steelmakers were struggling to increase output, Hoogovens was able to deliver immediately. "We have sold a lot of slab and billet to people all over the world, including European competitors," Mr Jan Hooglandt, chairman, says. Last year, the company made 4.3m tonnes of steel, this year it expects to make 5.5m tonnes.

Another factor has been a continuing programme to reduce costs. Mr Jan Hooglandt says annual overheads in steel have been cut by Fl 515m since 1977 and yields have improved. The product mix has been improved, with the elimination of almost all long products—bar, wire rod and beams—in which markets remain weak.

The company has some natural advantages too, notably the coastal location of its works, which eases the import of raw materials and the export of finished products.

Steel accounts for about 70 per cent of Hoogovens business, but Mr Hooglandt points out that the improvement in the group's financial performance began last year in the aluminium sector. It accounts for about 20 per cent of turnover and, last year, most of the profit. The steel business had a loss last year of Fl 120m, but Mr Hooglandt says that it "has taken the lead again" and will account for two-thirds of group profits this year.

He is confident that, while others struggle to make any profit at all in steel, Hoogovens can make reasonable returns in this sector. "It is not by price or capacity, but by better quality, delivery and performance."

BY JEFFREY BROWN

WERELDHAVE, the Dutch property group with a widely spread portfolio of foreign properties, has moved up no fewer than 139 places in this year's rankings on the back of a strong revival in takeover prospects.

The company has been a hid "situation" for more than two years. It was in September 1982 that talks with Dutch pension funds, notably PGGM (the largest in the Netherlands, were first announced. Subsequently a bid was made, against a background of strong market activity by both sides.

For its part, Wereldhave has strongly resisted any takeover. It has lined-up new share issues, and recently acquired a Dutch investment fund in the hope of making itself takeover proof.

But PGGM, which put a bid of Fl 155 a share on the table in August 1983, has been equally determined. Having acquired a third of Wereldhave through the market last year, it disclosed in May that its shareholding had been increased to 49 per cent.

This year Wereldhave shares have been as high as Fl 178 against a background of heavy stock market speculation plus some good results from the company. Net profits moved ahead strongly to Fl 40.5m in 1983, and the dividend went up from Fl 7.5 to Fl 9 a share.

But it is assets rather than revenue that Wereldhave's predators are after. Investment and development properties installed around Fl 1bn in the last balance sheet, and 62 per cent of the portfolio was outside Holland. Roughly 30 per cent of properties are in the U.S.

ESSILOR

BY DAVID MARSH

Sharp eyes on the US market

ESSILOR, the fast-growing French optical glass company, has been one of the most shining stars on the Paris bourse over the past two years. The stock, which has followed a phenomenal growth rate of 240 per cent last year, rising from FFr 685 (Stg.6m) at end-1982 to FFr 2,260 at end-1983, and has gained a further 25 per cent this year, being quoted at around FFr 2,850 at the end of October.

The group, which carries out about one-third of its business on the North American market, has been one of a string of French companies profiting from the strong dollar and fast expansion of the U.S. economy over the past 18 months.

Group net profits last year increased 50 per cent from FFr 121.5m to FFr 182m on turnover up 25 per cent from FFr 1,950m to FFr 2,440m.

Essilor had further good news for shareholders in September when it announced a 23 per cent increase in net profits and sales in the first half of 1984. The favourable trend of the first six months — well above expectations of end-1983 — is expected to continue for the rest of the year.

The triple factors of fast foreign growth — sales abroad are two-thirds of turnover — strong research and development efforts, and product innovation have more than doubled turnover since 1979.

The company, which makes a range of spectacle glass, frames, contact lenses and precision instruments, accounts for about 85 per cent of French spectacle glass production. Including its frames business, where it has a less formidable 15 per cent of the market, its total share of the French optical sector is 42 per cent.

M Bernard Maltenaz, the chairman, says Essilor's basic principles are the same as those followed by the 13th century optical pioneers who first brought spectacles on to noses. But the science has been brought up to date through a complex series of efforts in disciplines ranging from organic polymers and hightechnology to metallurgy and composite materials, backed up by automated production processes.

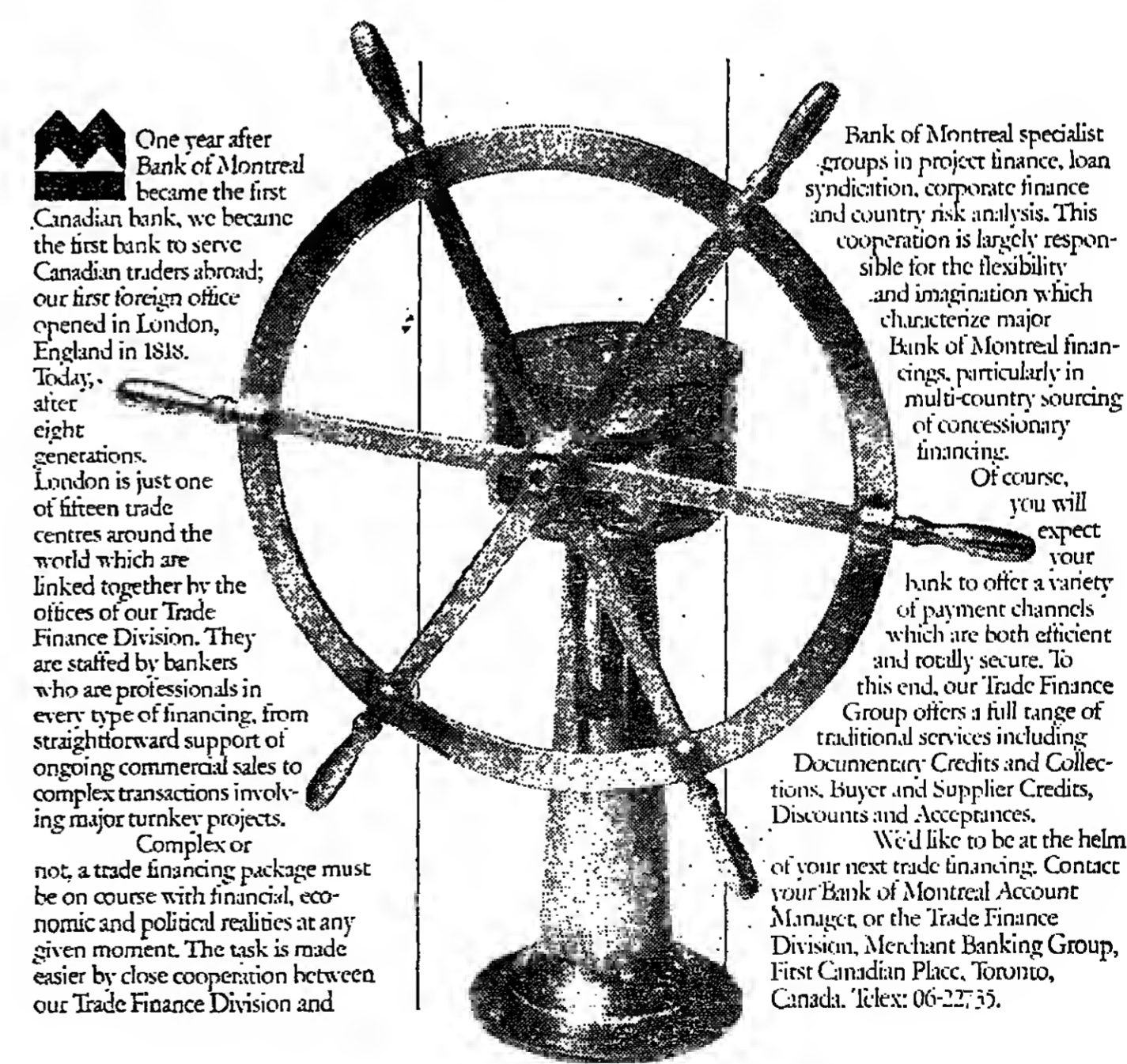
The research budget last year totalled FFr 80m, more than 5 per cent of parent company

turnover, with more than 200 people employed in company laboratories.

Investments next year are due to rise to FFr 200m from FFr 129m last year and FFr 85m in 1982. They will be spread 50/50 between France and abroad, in line with general building up of more sophisticated production facilities. The company, which controls 20 subsidiaries in 15 foreign countries, already has a production facility in Florida (along with three U.S. distribution companies) and has just announced plans to build a further American optical glass plant. U.S. subsidiaries last year increased turnover by 52 per cent in franc terms, with profits rising 82 per cent.

The big rise in house prices has been especially profitable for Essilor's 8,230 employees, who own 35 per cent of ordinary shares giving 50 per cent of overall voting rights. The capital is in the form of 1,080m FFr 100 ordinary shares and 180,000 non-voting priority dividend shares issued in 1983. Bourse capitalisation rose from FFr 385m at end 1981 to FFr 720m at end 1982 to FFr 2,720m at end of last year.

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Year of soaring profits

BY BARRY RILEY

OVERALL the past year has been one of the most buoyant ever enjoyed by the British corporate sector, with profits jumping by something like 25 per cent on average. Many companies are hitherto with cash they can hardly find a use for.

All this has provided splendid conditions for recovery by companies which had previously had their backs against the wall, and indeed the UK 500 list this year provides a number of examples of revived fortunes.

Even the firms which have been strong it has not been hemming uniformly upon the company sector. The capital goods producers, for instance, have often continued to languish. And the stock market has been notably less enthusiastic about steady growth companies which it values highly in tough conditions, but tends to desert for the more exciting if also more transient charms of bull market favourites.

One of the notable victims of this latter reassessment has been GEC, whose recent earnings performance has come in admittedly high standards. So at the top of the table Big Oil in the shape of BP and Shell Transport — has reassessed

itself, leaving the two oil majors well ahead of their electrical rival.

At one time a couple of years ago GEC was worth more than the two oil groups, and in last year's FT 500 it managed to split the pair. But this year the solid earnings performance of the oil companies have allowed them to pull well ahead, although the recent nervousness in the oil market, and doubts about the dollar, have taken the edge off their relative gains.

Just behind the top three, ICI is one of the beneficiaries of the improved industrial climate, with its profits surging towards the £1bn pre-tax mark. Its more aggressive management stance has appealed in the market, too.

Well behind

Two years ago Marks and Spencer ranked ahead of ICI, but the stores group has now slipped well behind earlier competitors. However, there has been disappointments too, especially for companies concerned with the heavy end of the engineering business like NEL, Davy and Babcock which have all slipped. Then there is the sad case of

Dunlop, which has tumbled 120 places in and in market capitalisation terms now nestles uneasily near the likes of Horizon Travel and Greycoat City Offices.

Meantime, GEC's image problems have extended to virtually the whole of the list of electrical majors, with many of them facing competitive pressures or strategic problems. Plessey, Thorn-EMI, Racal, STC and BICC have all lost position in the 1984 table.

Looking at the list of 500 companies as a whole, it is clear that there is a great deal of shifting of position going on in reflection of the rapid structural changes taking place within the British economy.

In the better profits climate, some of the traditional manufacturing groups have taken the opportunity to claw their way back up the table: examples include TI, Vickers, Delta, Turner and Newall and Courtalds.

However, there has been disappointments too, especially for companies concerned with the heavy end of the engineering business like NEL, Davy and Babcock which have all slipped. Then there is the sad case of

Telecom debut

It could also be that big investors have been lightening their holdings in this sector ahead of the debut of British Telecom, which is likely to jump straight into the top three of the UK 500—at any rate, once its shares are fully paid up.

But while the big electrical stocks have been dimming, many of the smaller ones have been sparking interest. The biggest gainer of all last year was Computer and Systems Engineering, which jumped from almost the very bottom to halfway up the table. The list of big upward movers and newcomers is literally sprinkled



The bulls were out in force on the London Stock Exchange in one of the most buoyant periods enjoyed by Britain's corporate sector.

1-250

Ranking 1984	Company	Sector	Market cap. £m			Turnover £m			Profit £m			ROCE	Number of employees	Year end	
			1984	1983	% change	1984	1983	% change	1984	1983	% change				
1	British Petroleum	Oil	8,884.0	7,453.0	119.2	22,453.0	20,390.0	10.6	2,559.1	2,306.0	10.6	12.6	16.2	131,000	31.12.83
2	Shell Transport and Trading	Oil	7,042.0	4,898.0	43.8	17,854.0	16,526.0	7.8	1,906.0	1,704.0	11.8	11.1	131,752	31.3.84	
3	General Electric Company	Electrical	4,817.0	4,898.0	1.6	12,350.0	12,350.0	0.0	1,130.0	1,130.0	0.0	13.0	117,900	31.12.83	
4	Imperial Chemical Industries	Chemicals	3,452.0	3,254.0	6.1	7,350.0	7,350.0	0.0	1,130.0	1,130.0	0.0	14.4	168,173	31.12.83	
5	ICI	Chemicals	3,007.0	1,946.0	54.2	11,918.0	11,918.0	0.0	2,170.0	2,170.0	0.0	13.0	117,900	31.12.83	
6	Glaxo Holdings	Pharmaceuticals	3,110.0	2,075.0	50.3	1,027.5	985.8	4.7	102.4	103.8	-1.3	34.4	27,785	30.6.83	
7	Marks and Spencer	Retail	3,110.0	2,854.0	9.1	2,854.0	2,854.0	0.0	228.2	228.2	0.0	16.7	56,891	31.3.84	
8	RTR	Telecommunications	2,310.0	7,468.0	-68.8	1,468.0	1,468.0	0.0	296.2	296.2	0.0	13.0	114,033	30.6.83	
9	Seaboard Group	Shipping	2,225.0	1,944.0	14.3	1,944.0	1,944.0	0.0	257.9	237.1	9.2	13.0	35,900	31.3.84	
10	Royal Dutch/Shell	Oil	1,821.0	4,811.0	-62.3	3,683.0	3,683.0	0.0	572.2	341.0	66.9	14.3	75,844	31.12.83	
11	Sainsbury	Retail	1,751.0	2,576.0	-31.9	2,576.0	2,576.0	0.0	657.0	492.0	33.5	26.4	79,989	31.12.83	
12	British Airways	Air Transport	1,647.0	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	
13	Plessey Company	Electrical	1,548.0	500.0	307.6	1,074.0	29.9	357.1	146.4	20.4	20.7	26.8	30,384	30.3.84	
14	Cable and Wireless	Telecommunications	1,446.0	1,011.0	43.0	1,011.0	1,011.0	0.0	146.4	146.4	0.0	20.7	23,425	31.12.83	
15	Hanson Trust	Investment	1,396.0	43.0	3,200.0	1,396.0	43.0	3,200.0	1,396.0	43.0	3,200.0	NR	NR	NR	
16	Great Universal Stores	Retail	1,296.0	2,030.0	-35.7	1,844.0	1,844.0	0.0	226.0	201.4	12.6	11.1	819	31.3.84	
17	Land Securities	Real Estate	1,296.0	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	
18	Unilever	Consumer Goods	1,273.0	5,358.0	-76.2	4,447.0	4,447.0	0.0	303.0	341.0	-10.0	16.1	306,000	31.12.83	
19	National Westminster Bank	Banking	1,253.0	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	
20	Prudential Corporation	Insurance	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
21	Roos	Investment	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
22	Bass	Brewing	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
23	Racal	Electrical	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
24	British Overseas Airways	Air Transport	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
25	Imperial Group	Investment	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
26	Oxley's Company	Investment	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
27	Associated Dairies	Food	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
28	Allied-Lyons	Food	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
29	Royal Indefatigable	Investment	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
30	British Telephones	Telecommunications	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
31	Lloyds Bank	Banking	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
32	Consolidated Gold Fields	Mineral	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
33	Scania Corporation	Automotive	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
34	Thorn EMI	Electrical	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
35	BP Group	Oil	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
36	Guardian Royal Exchange	Insurance	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
37	Compassionate	Investment	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
38	Trusthouse Forte	Food	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
39	Hawker Siddeley Group	Aircraft	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
40	General Accident	Insurance	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
41	British Airways	Air Transport	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
42	Standard Chartered Bank	Banking	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
43	Midland Bank	Banking	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
44	Ulster Bank	Banking	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
45	Ulster Bank	Banking	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
46	Ulster Bank	Banking	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
47	Ulster Bank	Banking	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
48	Ulster Bank	Banking	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
49	Ulster Bank	Banking	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	
50	Ulster Bank	Banking	1,224.0	1,832.0	-33.1	1,670.0	1,670.0	0.0	175.0	149.0	17.8	24.4	64,136	31.3.84	

FOOTNOTES FOR THIS PAGE

1 British Petroleum, turnover includes duty and sales taxes. ROCE equivalent to 2.1 per cent before deducting production taxes. 2 Shell Transport and Trading, see main entry in European 500 table. 3 IAT Industries, 82/3 turnover includes duty and excise taxes. 4 Barclays Bank, Em=UK only. 5 IAT Industries, 82/3 turnover includes duty and excise taxes. 6 IAT Industries, 82/3 turnover includes duty and excise taxes. 7 IAT Industries, 82/3 turnover includes duty and excise taxes. 8 IAT Industries, 82/3 turnover includes duty and excise taxes. 9 IAT Industries, 82/3 turnover includes duty and excise taxes. 10 IAT Industries, 82/3 turnover includes duty and excise taxes. 11 IAT Industries, 82/3 turnover includes duty and excise taxes. 12 IAT Industries, 82/3 turnover includes duty and excise taxes. 13 IAT Industries, 82/3 turnover includes duty and excise taxes. 14 IAT Industries, 82/3 turnover includes duty and excise taxes. 15 IAT Industries, 82/3 turnover includes duty and excise taxes. 16 IAT Industries, 82/3 turnover includes duty and excise 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Spit in it

500

VII

251-450

Table with columns: Ranking, Company, Market cap, Turnover, % change, ROCE, Number of employees, Year end. Lists companies from 251 to 450.

High-tech hits big time

BY TERRY GARRETT

HIGH-TECHNOLOGY stocks and in particular information technology companies dominate the leading rankings of the 500's lists of newcomers and major risers. But it is not solely a diet of blinking screens and whirring printers...

The major climbers of the year include a fair smattering of recovery stocks, oil companies, consumer businesses covering retailers to leisure operations and some high-diers of the financial sector.

The list of newcomers is liberally peppered with new arrivals to the stock market, either by a full listing or through the kindergarten of the Unlisted Securities Market.

One of the major events of the past year was the long-awaited public flotation of Reuters Holdings which runs one of the world's largest private-financed communications and business information networks.

gathering bedrock developed a sophisticated on-line news and business information operation across the major financial centres.

For 60 years its ownership had been on a co-operative basis with major British and Commonwealth newspapers holding most of the shares.

Equally important, many of the existing holders want to cash in part of their investment while establishing a firm value on their Reuters holdings.

By Fleet Street standards its newspaper interests are making quite reasonable returns. Despite the seemingly suicidal urge to heap millions of pounds on bingo winners...

share price performance than its impressive trading record.

Mr Robert Maxwell, the new owner of the Daily Mirror Group, has recently increased his shareholding in Fleet to 15.5 per cent.

Back to high-tech companies: the highest rise in the rankings this year was achieved by Computer and Systems Engineering (Case).

Equally important, many of the existing holders want to cash in part of their investment while establishing a firm value on their Reuters holdings.

Technology is close to its heart but utility is also an apt description of its nature. British Telecom—yes there is a slot reserved at the top of the 'new companies' table and in the world of word processing the £1.1m purchase of the

UK distributor of machines from NEI Inc of the U.S.

That investment proved to be a disaster and 12 months back Case had to withdraw with a total trading and book loss of £1m driving a large hole through the profit achievements of its more established operations.

However, such is the growth of its principle products—modems, multiplexers and message switchers—that the recent profits outturn has returned Case to the market's favour and the shares have almost tripled in value from their low point earlier this year.

High-tech, of course, does not have to mean computer-oriented companies alone. Un-doubtedly high-tech status is Oxford Instruments which was launched on the stock market towards the end of last year and has already climbed up the 500 list to the 212 position.

Next year's winners? No doubt the 'sunrise' industries of high-tech will feature prominently again but the year's highest entry—probably into the top ten—can be anticipated with a fair degree of certainty. Technology is close to its heart but utility is also an apt description of its nature.

FOOTNOTES FOR COMPANIES LISTED ON THIS PAGE

252 Vantona Viyella, incorporated 3rd Feb. 83 through merger between Vantona and Cairn Viyella. 253 Micro Focus, USM; floated 12th May 83. 254 McCarthy and Stone, floated 16th Oct. 83. 255 Gerard and National, profit is after tax, minority interest and transfer to Inner Reserve. 274 Guinness, Post Group, 82.83 pps for 12 months to 30th Sept. 83. Envo-UK, only. 279 Automated Security Holdings, turnover includes invoice value of rentals adjusted for repayments and is net of VAT. 285 British Car Auction Group, turnover-gross proceeds from auctions. 286 Premier Consolidated Offshores, profit is unrealised exchange gains. 290 Hickson International, formerly Hickson and Welch Holdings, 92.5 pps for 15 months to 31 Dec 83. 302 p.p. 305 Sibba, formerly Sibba Cernat. 308 Minter Assets, profit is before tax and transfer to investment reserves. 311 Pauls, formerly Pauls and W... 314 Gent S.R., floated June 83. 215 Stockley, incorporated 25th Nov. 83. 315 (a) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (b) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (c) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (d) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (e) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (f) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (g) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (h) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (i) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (j) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (k) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (l) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (m) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (n) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (o) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (p) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (q) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (r) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (s) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (t) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (u) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (v) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (w) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (x) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (y) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84. 315 (z) Acquiring entire share capital of Trust Investments Holdings on 16th Jan. 84.

PIRELLI IS advertisement featuring a large image of a Pirelli tire and text describing the company's technology, professionalism, and internationalism. Includes the slogan 'Ready for the future.'

451-500

Table of UK top 500 companies, columns include Ranking, Company, Market cap, Turnover, Profit, ROGE, Employees, and Year end.

Confidence in builders falls

BY ALEXANDER NICOLL

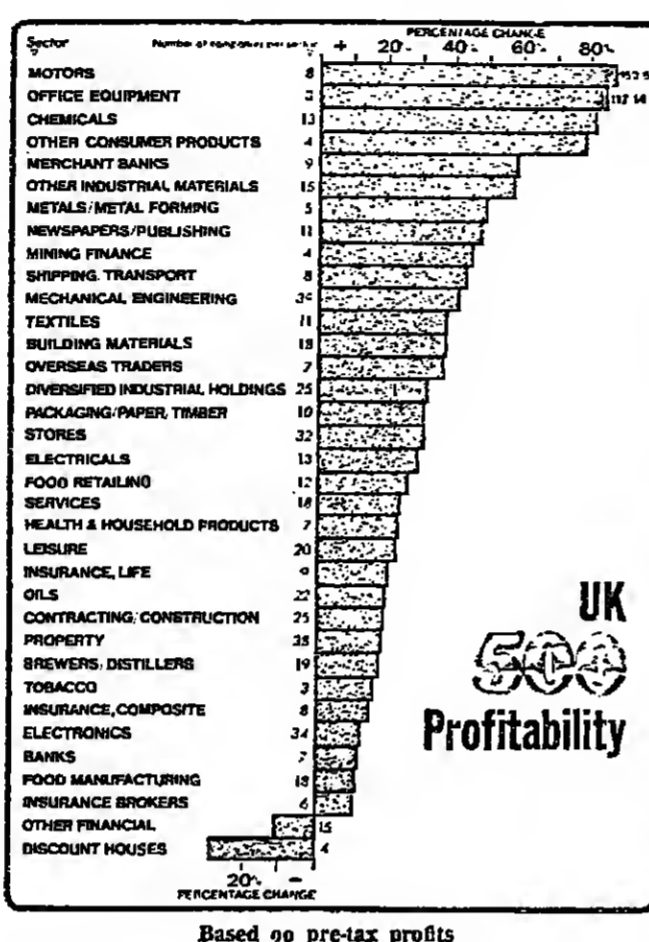
SHAREHOLDERS IN most of Britain's building firms will have been happy to see the year covered by this survey...

Of 24 companies in the table from June to June, only three managed to make any headway in the rankings...

But among the others, there were some spectacular declines. Thanks to the dramatic fall from grace of Sir Lawrence Barratt's Barratt Developments...

The withdrawal of clearing banks from mortgage lending, entailed with substantial interest rates, were not helpful...

Growth of private housing starts slowed in the second half of 1983 and began to be reversed in the first half of 1984...



UK 500 Profitability. Based on pre-tax profits.

exceptional losses of £41.7m on activities in Saudi Arabia, Hong Kong and Swaziland.

Victim of virtually every misfortune available has been Barratt and Hillamshire, a cost trading and contracting group.

Britain's highest paid executives

Even so, the captains of British industry are not shockingly well paid. A director need only earn £37,000 a year to be among the 100 best-paid UK executives...

The list, culled from the published reports of the FT 500 companies, is remarkable in its unpredictability...

Table of highest paid executives: Name, 1980, 1981, 1982, 1983, 1984.

Table of biggest profit increases (UK): Company, FT UK Rank, Sec, Profit Increase %.

Table of biggest profit decrease (UK): Company, FT UK Rank, Sec, Profit Decrease %.

provided 23 entrants, while the rest came from groups with market caps between £123m and £307m.

Table of FT 500 places moved 84/83: Name, 1980, 1981, 1982, 1983, 1984, Places moved.

A-Z list of UK top 500

Large alphabetical list of UK top 500 companies with columns for Company, Rank, and other details.

Handwritten signature or mark at the bottom of the page.